Financial Summary and Budgetary Review 1981 - 82

Alberta
TREASURY

Contents

Alberta
TREASURY

Hon. Lou Hyndman
Provincial Treasurer

A. F. Collins
Deputy Provincial Treasurer

Provincial Treasurer's Report 1
Financial Summary 3
Budgetary Performance Highlights 3
The Economic Year in Review 4
Budgetary Revenue 7
Budgetary Expenditure 10
Budgetary Surplus/Deficit 14
Regulated Funds 14
Provincial Corporations 18
Commercial Enterprises 23
Financial Statements 25

Further information or
additional copies of this annual
report may be obtained by
writing:
423 Terrace Building,
EDMONTON, Alberta
T5K 2C3

Provincial Treasurer's Report

This "Financial Summary and Budgetary Review" for the Province of Alberta covers the fiscal year from April 1, 1981 to March 31, 1982. It reports on the operations of the General Revenue Fund, the Alberta Heritage Savings Trust Fund, Crown corporations, agencies and regulated funds, and general economic activity during the year.

It is important to note the time span covered by this Summary and Review — it began more than 22 months ago (April 1, 1981) and ended almost a year ago (March 31, 1982).

The primary purpose of this publication is twofold: to present the Province's financial position in simpler terms than in the Public Accounts and to compare actual budgetary performance to the financial plan which was presented in the Budget Address on April 14, 1981.

The highlights of the 1981 Budget included:

— provision of over 1,400 new positions and more than $3.4 billion in total operating funding for new initiatives and expansion to existing programs for virtually all Albertans — particularly the handicapped, children and those in need — through quality services in health care, housing, social welfare and education;

— increases in minimum benefits to senior citizen homeowners by 50 per cent from $400 to $600 and the extension of three program initiatives to eligible widows and widowers aged 60 to 64;

— a boost to expenditure on construction, maintenance and rehabilitation of highways and roads by 38 per cent over the prior year's comparable estimates and a 26 per cent increase in urban transportation assistance;

— support to agriculture through the programs of three departments and the Heritage Fund by providing incentives for beginning farmers, lower farm input costs, improved grain handling and transportation, and support for agribusiness and processing;

— provision of over 20,000 shelter units or over $1 billion of affordable new homes, apartments, senior citizens' lodges and other housing for Albertans;

— a 27.2 per cent increase in grants to $987 million for active and auxiliary hospitals and nursing homes, and a 40 per cent increase in capital expansion funding for 60 communities;

— the investment of more than $1.6 billion in capital projects to provide needed services and facilities for Albertans; and

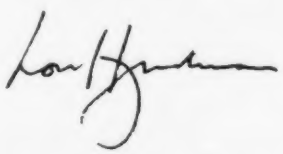
— emphasis on prudent financial management and the Heritage Savings Trust Fund to help shield Albertans through the transition years in the future.

In 1981-82 budgetary revenue amounted to $7,085 million and budgetary expenditure was $7,044 million, resulting in a budgetary surplus of $41 million. This compares with a surplus of $1,017 million before extraordinary expenditures in the previous year and a projected deficit for 1982-83 of between $2 billion and $3 billion.

Consolidated gross revenue of the General Revenue Fund, the Alberta Heritage Savings Trust Fund, other regulated funds, revolving funds, commercial enterprises, and provincial corporations and committees was $10,542 million in 1981-82. Consolidated net assets were $12,027 million compared to $9,912 million a year earlier.

After many years of strong growth in non-renewable resource revenue, there was no growth in 1981-82. In sharp contrast budgetary expenditure rose by 26.7 per cent. A challenge in the management of Alberta's finances today is presented by the difficulty in forecasting non-renewable resource revenue. Alberta is vulnerable to international economic developments and to political decisions in other countries, factors over which we have no control. The savings policy through the Heritage Fund is a key strategy to meet this challenge.

With the uncertainty for future non-renewable resource revenue, and with the reality of a major budgetary deficit of between $2 billion and $3 billion in 1982-83, there is now a clear need to "hold the line", restrain growth in expenditure and turn to other sources of provincial revenue.



Financial Summary

- Budgetary revenue for 1981-82 was $7,085 million and budgetary expenditure amounted to $7,044 million resulting in a budgetary surplus of $41 million.
- Budgetary revenue increased by only 7.7 per cent over 1980- 81.
- Comparable budgetary expenditure was 26.7 per cent higher in 1981-82 than in 1980-81.
- Net assets of the General Revenue Fund stood at $2,327 million at March 31, 1982.
- Consolidated net revenue of revolving funds, regulated funds, provincial corporations and committees and commercial enterprises was $2,116 million.
- Consolidated gross revenue was $10,542 million in 1981-82 compared to $9,468 million in 1980-81.
- Consolidated net assets at March 31, 1982 were $12,027 million compared to $9,912 million a year earlier.

Budgetary Performance Highlights

- Actual budgetary revenue exceeded budget estimates by 11.3 per cent or $718 million, largely because there were no Petroleum Incentives Program transfers made before year-end.
- Actual budgetary expenditure for voted appropriations was $271 million or 4.1 per cent above the original budget estimates and $346 million or 5.0 per cent below total expenditure authorizations.
- There was a budgetary surplus of $41 million in 1981-82, in sharp contrast to the expected $2 billion to $3 billion deficit for 1982-83.
- Net non-renewable resource revenue remained virtually unchanged from the previous year and accounted for 47.0 per cent of total budgetary revenue.
- Budgetary expenditure per capita rose to $3,036 in 1981-82 from $2,672 in 1980-81, an increase of $364 per capita.
- Operating expenditure increased by 22.6 per cent.
- Capital expenditure and grants for capital purposes such as roads, schools, hospitals and universities increased 32.6 per cent and accounted for 23.7 per cent of total expenditure.

The Economic Year in Review

Economic growth in Alberta in 1981 was not as strong as in the boom years of 1978, 1979 and 1980 because of adverse developments in the energy sector. However, other sectors of the economy continued to perform very strongly, recording the same average rate of growth as they had for the past five years. The 4.1 per cent rate of increase in real Gross Domestic Product (GDP) was relatively low compared to the immediate preceding years but more consistent with historical standards. Nonetheless, Alberta still out-performed the Canadian average. The underlying strength of the economy was evident from the unemployment rate which remained below 4 per cent, virtually unchanged from its 1980 level, and the creation of 61,000 new jobs in 1981.

Gross Domestic Product

In current dollars, Alberta's GDP rose to just over $47 billion in 1981, an increase of 14.1 per cent. Investment continued to grow very rapidly reaching a level of $17.8 billion, an increase of almost 20.0 per cent from 1980. The share of investment in total GDP reached a record high of 37.6 per cent. Government spending for Albertans increased by about 29.0 per cent while government capital formation increased 27.0 per cent, following a 35.0 per cent increase in 1980.

Developments in the energy sector were key to Alberta's economic performance in 1981. As a reaction to the unilateral federal National Energy Program (NEP), the province reduced its production of oil for a six-month period beginning in March 1981. This action was instrumental in consummating the September 1981 energy agreement with the federal government; it was also responsible, in part, for a reduction in the output of the mining sector. As shown in

Table 1
Alberta Economic Statistics Summary

	1981	1980	Percentage Change
Gross Domestic Product and Income			
Real Gross Domestic Product ($1971 millions)	14,730	14,144	4.1
Gross Domestic Product ($ millions)[a]	47,440	41,612	14.0
Investment ($ millions)	17,830	14,874	19.9
Wages and Salaries ($ millions)	19,396	16,097	20.5
Labour Market			
Population (thousands)	2,237	2,143	4.4
Labour Force (thousands)	1,136	1,072	6.0
Participation Rate (per cent)	71.6	70.3	—
Employment (thousands)	1,093	1,032	5.9
Unemployment Rate (per cent)	3.8	3.7	—
Net Interprovincial Migration (thousands)	45.8	50.1	– 8.6
Activity			
Value of Mineral Production ($ millions)	17,571	16,379	7.3
Manufacturing Shipments ($ millions)	12,958	10,572	22.6
Retail Sales ($ millions)	10,906	9,411	15.9
Housing Starts	38,470	32,031	20.1
Wages and Prices			
Average Weekly Earnings ($)	390.63	341.93	14.2
Consumer Price Index (per cent change)[b]	12.9	10.2	—

[a] Gross Domestic Product is measured at market prices.

[b] The Consumer Price Index for Alberta is taken as the average of the Calgary and Edmonton indices.

Table 2, Gross Domestic Product in the mining industry, which comprises about 20.0 per cent of total GDP, fell almost 6.0 per cent from its 1980 level. Most other industries recorded rates of growth that were close to their five-year averages. The construction industry was the best performer recording an increase of almost 26.0 per cent. Much of the growth occurred in the commercial area as office construction in Calgary and Edmonton increased very substantially.

Labour Market

The labour market experienced another healthy year in 1981, as is shown in Table 3. Employment grew by 5.9 per cent, slightly faster than in the previous year, to just over one million. In primary industry other than agriculture (e.g., petroleum, mining, etc.) employment was up 9.5 per cent over 1980. The fastest growing industry in terms of employment, as well as output, was the construction industry where employment was up 16.3 per cent. Employment in public administration increased about 12.0 per cent. Agricultural sector employment reached 87,000, an increase of 6.1 per cent from 1980. The participation rate continued to rise and reached a record high of 71.6 per cent. Although the labour force increased by almost 6.0 per cent, strong growth in employment resulted in an unemployment rate of only 3.8 per cent.

The Energy Sector

In the aftermath of the NEP, exploratory and development wells drilled in natural gas and

Table 2
Gross Domestic Product at Factor Cost, 1981

	Share of GDP	Increase From 1980	5-Year Growth Rate[a]
		(per cent)	
Agriculture	4.5	4.6	14.6
Forestry	.1	6.3	7.8
Petroleum and Mining	19.7	– 5.8	16.3
Manufacturing	7.5	13.6	15.7
Construction	8.2	25.7	13.4
Transportation	7.0	17.6	15.9
Utilities	2.9	15.7	21.6
Trade	9.1	13.9	15.1
Finance	21.5	16.6	20.4
Services	14.2	17.7	16.2
Public Administration	5.3	20.4	15.3
Gross Domestic Product	100	11.3	16.6

[a] Compound average annual growth rate.
Source: Alberta Bureau of Statistics, "Alberta Economic Accounts, 1981."

Table 3
Employment by Industry (000's)

	1981	1980	Percentage Change
Agriculture	87	82	6.1
Petroleum, Mining and other Primary[a]	69	63	9.5
Manufacturing and Processing	101	97	4.1
Construction	114	98	16.3
Transportation and Utilities	91	92	– 1.1
Trade	193	186	3.8
Finance, Insurance and Real Estate	57	56	1.8
Community, Business and Personal Service	307	290	5.9
Public Administration	75	67	11.9
All Industries	1093	1032	5.9

[a] Includes forestry, fishing, and trapping.
Source: Statistics Canada, "The Labour Force" Catalogue No. 71-001.

oil fields declined by over 17.0 per cent in 1981 from the record number of wells drilled in 1980. A number of drilling rigs left Alberta and headed south of the border as deregulation of the oil and gas industry in the U.S. made drilling in that country more attractive.

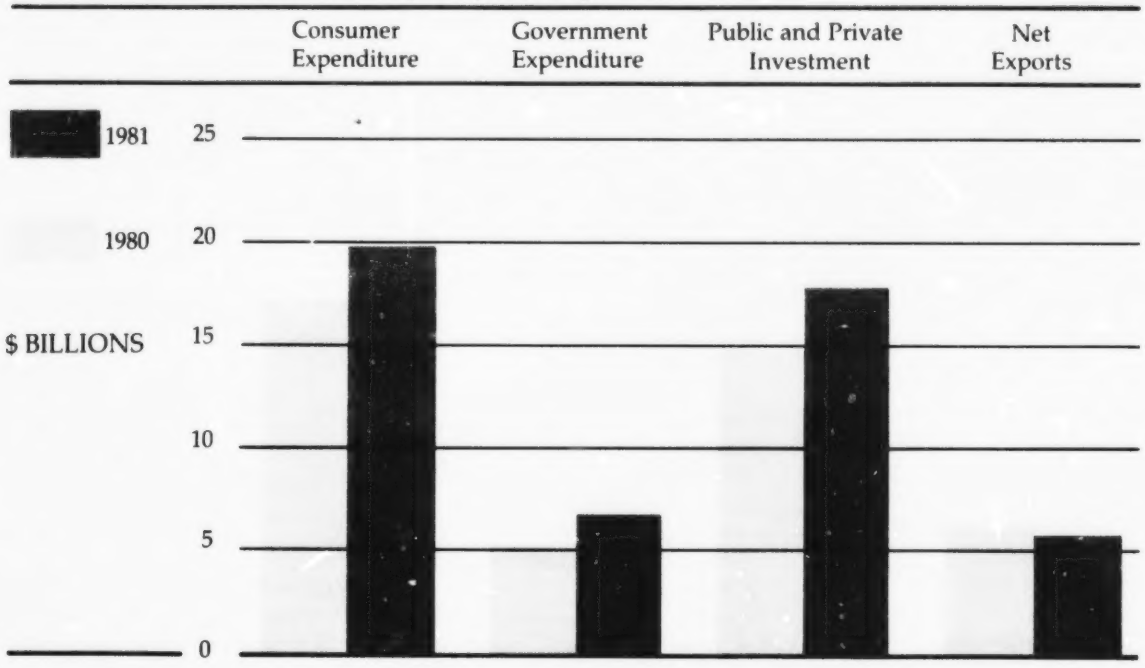
The value of production in the energy sector in 1981 rose only as a result of price increases. The value of production of crude oil and equivalent increased by a very modest 5.0 per cent to $8.9 billion, while the value of natural gas production increased by 5.5 per cent to $5.5 billion.

Other Economic Indicators

Alberta has a manufacturing sector accounting for 6.9 per cent of total Canadian manufacturing. However, the growth in Alberta's manufacturing sector continued to be very rapid in 1981. The value of manufacturing shipments in the province increased 22.6 per cent to a level of almost $13.0 billion. Manufacturing shipments in Canada as a whole increased by only 12.7 per cent in the same period. The most rapid rates of growth occurred in the petroleum and coal products industry and the chemical and chemical products industry. These two industries, which use the province's abundant supplies of natural gas and oil as feedstocks, accounted for about one-third of total manufacturing shipments.

As indicated previously, the construction industry was one of the fastest growing industries in the province in 1981. The value of construction work performed increased by 18.1 per cent to reach a level of $13.8 billion, just slightly below the value of construction in Ontario. The housing market in Alberta rebounded in 1981 with

Chart 1
Gross Domestic Expenditure by Major Component



Budgetary Revenue

38,470 starts, up 20 per cent from 1980. The increase in activity reflected somewhat lower mortgage rates, continued strong demand stemming from high in-migration to the province and the government's assistance programs for residential construction.

Wages and salaries rose 20.4 per cent in 1981 due to strong employment gains coupled with large increases in average weekly wages. Personal disposable income per capita rose 18.1 per cent in the year to a level of $10,289 and was a major factor in the large increase in retail sales which reached $10.9 billion, up 15.9 per cent from 1980. In Canada, retail sales increased 12.2 per cent in the same period. Alberta had the highest level of per capita retail sales in Canada at $4,875.

The farm sector enjoyed a good year in 1981. Cash receipts from farming operations amounted to $3.9 billion, up 23.1 per cent from the previous year. Cash receipts from crops increased 44.4 per cent to $2.1 billion. The increased value of crop production was a combination of record harvests and very good prices for grains. Cash receipts from livestock and products, on the other hand, increased only 2.8 per cent reflecting depressed markets in 1981.

Total budgetary revenue in 1981-82 amounted to $7,085 million, an increase of only 7.7 per cent from $6,578 million in the previous year. Actual revenue was 11.3 per cent higher than the original budget estimates. Chart 2 shows the composition of total budgetary revenue by major source in 1981-82.

Non-Renewable Resource Revenue

Total non-renewable resource revenue includes royalties on the production of crude oil, natural gas and by-products and coal from Crown lands; the sale of Crown leases; and rentals and fees. By far the largest single source of provincial revenue, non-renewable resources account for more than one-half of total provincial revenue. Total resource revenue in 1981-82 amounted to $4,793 million of which $1,464 million was allocated to the Alberta Heritage Savings Trust Fund on an accrual basis. The remainder, $3,329 million, was taken into budgetary revenue.

Actual revenue exceeded the budget estimates by $233 million or 5.1 per cent primarily because no Petroleum Incentives Program transfers were made in 1981-82. Overall, non-renewable resource revenue accounted for 47.0 per cent of budgetary revenue in 1981-82.

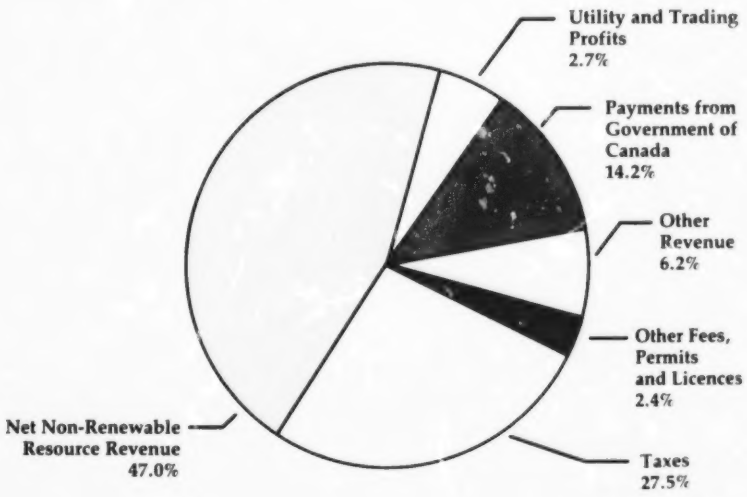

Utility and Trading Profits 2.7%
Payments from Government of Canada 14.2%
Other Revenue 6.2%
Other Fees, Permits and Licences 2.4%
Taxes 27.5%
Net Non-Renewable Resource Revenue 47.0%

Chart 2 Percentage Distribution of Budgetary Revenue By Major Source, 1981-82

Taxes

Provincial taxes include personal and corporate income taxes, freehold mineral taxes, insurance corporation taxes, tobacco taxes and other miscellaneous taxes.

Alberta's personal income tax rate was 38.5 per cent of federal basic tax, the lowest in the country. The general corporate tax rate was 11 per cent while small businesses were taxed at the lower rate of 5 per cent. In 1981-82, small businesses saved $71 million from the lower tax rate. Alberta renters saved $34 million from their 1981-82 taxes through the Renters Assistance Tax Credit.

Net personal income tax receipts amounted to $1,323 million, an increase of 41.0 per cent over 1980-81 collections of $938 million. The substantial increase was due mainly to adjustment payments for prior tax years under the federal-provincial tax collection agreement and growth in personal income in Alberta.

Net corporate income tax amounted to $416 million in 1981-82, a 4.4 per cent decline from the $435 million reported in 1980-81. The decline in net corporate tax revenue was due mainly to a rapid rate of increase in deductions against corporate income. Royalty tax rebates and credits increased 30.2 per cent in 1981-82 over 1980-81.

Revenue from other taxes amounted to $208 million in 1981-82, a decline of 2.8 per cent from the 1980-81 level.

Total tax revenue in 1981-82 amounted to $1,947 million, 22.7 per cent higher than in 1980-81. The share of total taxes in total budgetary revenue increased to 27.5 per cent from 24.1 per cent in the previous year.

Other Fees, Permits and Licences

Revenue from motor vehicle licences, land title fees, timber rentals and fees and other miscellaneous charges accounted for 2.4 per cent of budgetary revenue in 1981-82. Total revenue from this source amounted to $169 million, an increase of 4.3 per cent from the previous year.

Utility and Trading Profits

Alberta Liquor Control Board and Treasury Branches remittances accounted for the major portion of utility and trading profits. Total revenue from this source amounted to $189 million in 1981-82, accounting for 2.7 per cent of total budgetary revenue.

Other Revenue

Included in other revenue are interest income on investments of the General Revenue Fund, refunds of prior years' expenditure, fines and penalties, and other miscellaneous revenue. Total revenue under this category amounted to $443 million in 1981-82 compared to $602 million in 1980-81. The apparent decline of 26.4 per cent is due to the fact that contributions to pension plans are no longer accounted for in budgetary revenue but rather in the newly established pension fund.

Payments from Government of Canada

Government of Canada payments to Alberta are in respect of Established Programs Financing (hospital insurance, post-secondary education and extended health care), several shared-cost programs and various statutory obligations. Total payments in 1981-82 amounted to $1,007 million, an increase of 50.3 per cent over 1980-81 payments. The major factors accounting for the increase were the new sharing arrangements with the federal government for the federal oil export charge and the 54.5 per cent increase in payments under the Canada Assistance Plan resulting from higher social assistance caseloads in Alberta. Federal government transfers accounted for 14.2 per cent of budgetary revenue in 1981-82.

Budgetary Expenditure

There are two components to budgetary expenditure — voted and statutory appropriations. Voted appropriations include amounts expended under authority of a supply vote of the Legislature and special warrants approved by the Lieutenant Governor of Alberta. Statutory appropriations are amounts expended pursuant to various provincial statutes.

Total voted appropriations in 1981-82 amounted to $6,925 million, an increase of 24.8 per cent over the $5,549 million expended in 1980-81. Actual expenditure exceeded the original budget estimates by $271 million but was $346 million below total authorizations. The composition of voted appropriations by major function is illustrated in Chart 3.

The provision of adequate social infrastructure to meet the needs of a rapidly growing population and economy continued to be a priority area in 1981-82. Total capital expenditure increased by 32.6 per cent over the 1980-81 level to make up 23.7 per cent of total voted appropriations. A breakdown of voted appropriations into operating, capital and capital grant components is illustrated in Chart 4.

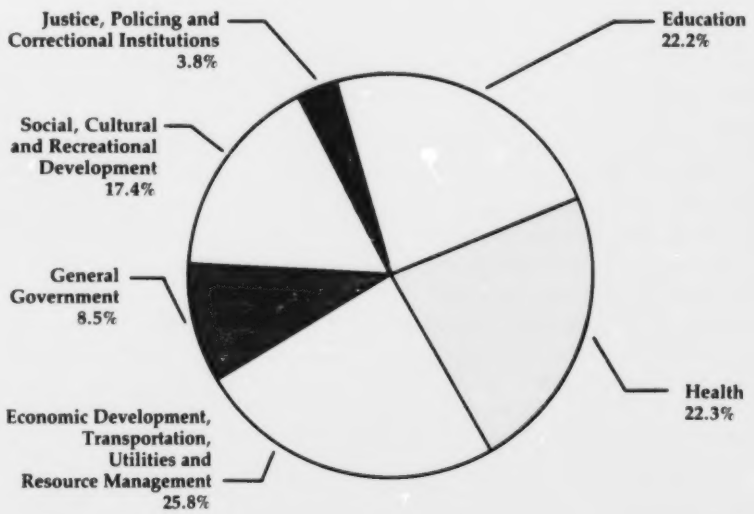

Justice, Policing and Correctional Institutions 3.8%
Education 22.2%
Social, Cultural and Recreational Development 17.4%
General Government 8.5%
Health 22.3%
Economic Development, Transportation, Utilities and Resource Management 25.8%

Chart 3 Percentage Distribution of Budgetary Expenditure By Major Function, 1981-82

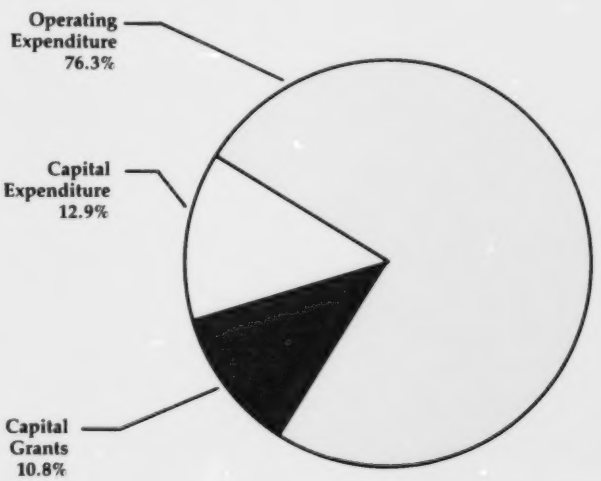


Chart 4 Operating and Capital Expenditures and Capital Grants, 1981-82

Included in statutory appropriations are the financial requirements of revolving funds, amounts spent pursuant to authorizing provincial legislation, provisions for doubtful accounts and loans, the valuation adjustment of investments to aggregate market value and exchange on debt payable in foreign currencies. Statutory appropriations amounted to $118 million in 1981-82.

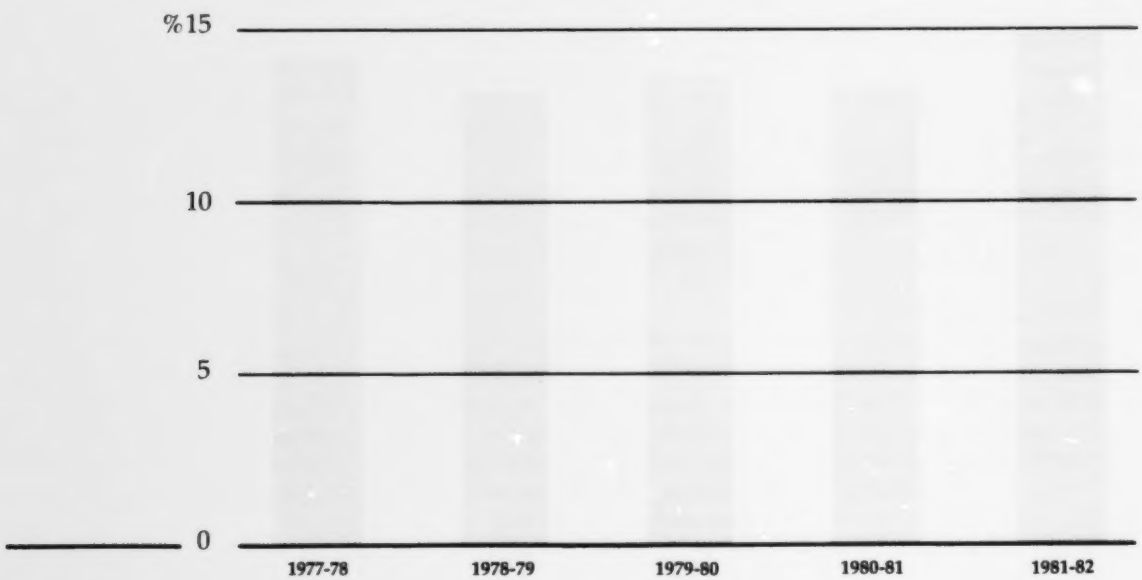
Total budgetary expenditure over the past five years averaged an annual growth rate of 19.4 per cent compared to an average annual growth rate of 18.1 per cent for provincial gross domestic product. Chart 5 shows that budgetary expenditure as a proportion of Alberta gross domestic product has been relatively stable since 1977-78 at levels below 15 per cent. The actual ratio in 1981-82 was 14.6 per cent.

Health

Health services encompass active and auxiliary hospitals, nursing homes and medicare. A continuing high priority of the government has been to provide and expand a first-rate health care system for Albertans.

Reflecting increasing cost pressures from the hospital sector, budgetary expenditure on health care increased by 27.1 per cent in 1981-82 to $1,544 million accounting for 22.3 per cent of total budgetary expenditure. A major portion of the increase in operating costs was due to the large salary increases negotiated in the previous year.

Chart 5 Budgetary Expenditure as a Percentage of Alberta Gross Domestic Product



Capital construction work to build new hospitals and to expand and renovate existing hospitals was undertaken in 23 communities in 1981-82. Funds were also provided for the operation of 10 new or expanded health care facilities that came on stream throughout the province. To improve diagnosis and treatment of patients, provision was made for the purchase of high-technology equipment and the installation of upgraded electronic data processing equipment. These measures ensured that health care facilities would keep pace with population growth and technological advances.

Education

Primary and secondary education from grades 1 to 12 is a joint responsibility of the province and local authorities, with the province contributing about 70 per cent of the total school funding. Most of the provincial contribution is in the form of payments to the School Foundation Program Fund and direct grants to school boards. Universities, colleges and technical and vocational institutions also receive direct operating and capital financial assistance from the province.

Budgetary expenditure in the education area increased by 21.8 per cent to $1,536 million and accounted for 22.2 per cent of total budgetary expenditure in 1981-82. In 1981, the International Year of the Disabled, emphasis was placed on special education programs for the handicapped. Significantly increased funding was provided for the sensory multi-handicapped and for equipment and supplies for handicapped children. Increased grants were provided under the Elementary and Early Childhood Services Programs and Learning Disabilities Fund, and the number of special education teaching positions was increased.

Alberta's public colleges and universities were granted $491 million for their operating requirements, and capital grants amounting to $122 million, 26.1 per cent higher than the year earlier. There was continued emphasis on regional expansion in post-secondary education and manpower training. Funding was provided for new courses designed to meet the skilled manpower needs of the province.

Direct financial aid to students increased 38.7 per cent to $20.5 million.

Social, Cultural and Recreational Development

This functional area includes social allowance programs, child welfare, services to the handicapped, the provision of recreational facilities and cultural activities.

In the International Year of the Disabled, Alberta led all other provinces in the provision of several new and enriched programs. An estimated 9,300 handicapped individuals received benefits amounting to $46.5 million, an increase of 74.1 per cent over 1980-81, under the Assured Income for the Severely Handicapped Program. The staff/patient ratio at the Michener Centre in Red Deer was improved and more funding was provided for the dependent handicapped facilities in Edmonton.

In the social services area, priority attention was directed to child welfare services. This was reflected in a 43.1 per cent increase in funding and the addition of more than 300 new staff. Greater financial assistance was provided to community residences which provide child care services under contract. A new Day Care Operating Allowance Program was initiated with an initial funding of $13 million. This program was designed to improve staff/child ratios, expand space standards and to meet the commitment to shelter parents from the associated cost increases.

Benefits provided to senior citizens under the Alberta Property Tax Reduction Plan were increased from $400 to $600 in 1981- 82. This major expansion in the program was designed to assist senior citizens to remain in their own homes. Grants under the Pioneer Repair Program and benefits under both the Senior Citizen Renters Assistance and Property Owner Tax Rebate Programs were extended and made available to widows and widowers aged 60 to 64.

In the recreation and cultural areas, funding for the operation of provincial parks has increased by 27 per cent to $29.5 million in 1981-82 reflecting higher patronage and new facilities recently completed. Work on the Canadian Encyclopedia project continued in 1981-82. Increased funding was also provided for popular Alberta Culture programs such as library services and performing arts.

Budgetary expenditure in the Social, Cultural and Recreational Development field increased by 34.9 per cent to $1,206 million, the largest increase of all functional areas, and accounted for 17.4 per cent of total budgetary expenditure.

Economic Development, Transportation, Utilities and Resource Management

This functional area includes expenditure on economic development, transportation, supervision of utilities and the management of Alberta's resources and environment.

An efficient transportation system is one of the prerequisites to economic development. A major thrust for 1981-82 was in the area of improvement of primary highways in the province with a 43.0 per cent increase in funding to $588.6 million in 1981-82. The Pavement Rehabilitation Program received a boost of 65.6 per cent in 1981-82. In recognition of the considerable demand placed on rural roads by resource development, expenditure under the Resource Roads Program was increased significantly to $33.5 million from $23.8 million, a rise of 40.8 per cent.

Total expenditure in this functional area increased by 29.5 per cent to $1,787 million and accounted for 25.8 per cent of total expenditure, the single largest portion.

Justice, Policing and Correctional Institutions

This expenditure function includes administration and enforcement of laws within the province, control and regulation of policing and correctional institutions, and the assurance of fair practices in the market place.

As a result of Alberta's exceptionally strong economic growth and rapid population increase there has been an increasing demand on the court system in the province. Accordingly, funding for the court system was increased significantly from $28.4 million in 1980-81 to $43.2 million in 1981-82, an increase of over 52 per cent. Successful crime prevention programs like Neighbourhood Watch, Operation Identification and Block Parent were continued. The Alberta Gaming Commission was in full operation for the year and assisted in the equitable regulation of games of chance for fund raising by volunteer, charitable and religious organizations.

Budgetary expenditure in this field increased by 23.8 per cent to $263 million and accounted for 3.8 per cent of total budgetary expenditure in 1981-82.

General Government

General government expenditure includes the provision of government accommodation, financial management services and other general central services to the Government.

Expenditure in this area showed little change from the previous year increasing by less than one per cent from $587.1 million in 1980-81 to $590.7 million in 1981-82. The share of this expenditure function in total expenditure declined to 8.5 per cent.

Budgetary Surplus/ Deficit

Budgetary transactions in 1981-82 resulted in a budgetary surplus of $41 million compared to a surplus of $1,017 million before extraordinary expenditure in 1980-81 and a deficit of $412 million after extraordinary items.

Net assets of the General Revenue Fund increased slightly from $2,285 million at the close of 1980-81 and stood at $2,327 million at March 31, 1982.

Regulated Funds

Regulated funds are comprised of public money that is not part of the General Revenue Fund because of its special disposition by the Legislature, or public money that has been paid out of the General Revenue Fund into a designated fund by authority of an Act of the Legislature or a supply vote.

The Alberta Heritage Savings Trust Fund

Established in 1976, by an Act of the Alberta Legislature, the Alberta Heritage Savings Trust Fund is the largest and most important of the regulated funds. The primary purpose of the Heritage Fund is to save a portion of Alberta's non-renewable resource revenue. The income and the principal of the Fund will be available as an additional source of revenue to the Province as revenues from depleting natural resources decline in relative importance.

Since 1976, 30 per cent of the non-renewable resource revenue received by the Province has been transferred to the Heritage Fund. In 1981-82 this transfer amounted to $1,434 million compared to $1,444 million the previous fiscal year. This transfer will be cut to 15 per cent for the fiscal year beginning April 1, 1983.

During 1981-82 the Fund earned $1,009 million in income on its investments, an increase of almost 40 per cent from 1980-81. All this income was retained and reinvested in the Fund up to August 31, 1982; for two years beginning September 1, 1982 all of it will be diverted to help finance the Alberta Economic Resurgence Program.

At March 31, 1982, the Heritage Fund's assets were $11,009 million. Reflecting the long term savings objective of the Fund nearly 90 per cent of the Fund's assets, or $9,700 million, are income earning assets. The remaining $1,309 million was invested under the Capital Projects Division and recorded as deemed assets of the Heritage Fund.

The Alberta Investment Division forms the largest segment of the Heritage Fund, containing 58 per cent of the Fund's assets at March 31, 1982. Through the Alberta Investment Division investments are made which serve to strengthen or diversify the Alberta economy and provide a reasonable return to the Fund. Most of the investments in the Alberta Investment Division are in the form of loans to Alberta's provincial crown corporations.

These loans, which are made at market rates of interest, comprised 98 per cent of the net new investment in the Alberta Investment Division during 1981-82. The Heritage Fund investment in provincial crown corporations helped finance a wide variety of

government activities and initiatives in areas such as housing, agriculture, business development, municipal public works and communications. The accompanying chart illustrates the divisional structure of the Heritage Fund and identifies the provincial corporations that borrowed from the Heritage Fund in 1981-82. The activities of these provincial crown corporations are described in subsequent sections of this report.

Through the Alberta Investment Division the Heritage Fund also holds debentures of several companies as well as the Province's equity share in the Alberta Energy Company and in the Syncrude Project.

During the year $236.1 million of convertible debentures issued by Gulf Canada Resources Inc. and Canada-Cities Services Ltd. were converted into additional participation in Syncrude, increasing the Heritage Fund's participation in the Project from 8 per cent to 16.74 per cent. Syncrude returned $27 million in net income to the Heritage Fund in 1981-82.

The Commercial Investment Division became operational in 1981-82 with the objective of yielding a commercial return to the Heritage Fund. Eligible investments include common stocks as well as bonds and money market securities. At March 31, 1982, the Commercial Investment Division held $91 million in Canadian common shares and convertible bonds and $98 million in money market securities.

The investment in common stocks is being undertaken using a passive, balanced approach with stock holdings representing a broad range of Canadian industrial sectors and public companies. Investment in any one company is limited to no more than 5 per cent of the shares outstanding.

Through the Canada Investment Division loans have been made to other provinces or their agencies. In 1981-82, loans were made in the principal amount of $418 million. These loans were made under an interest rate policy, established in 1979, whereby loans to all provinces carry a common interest rate: the rate at which the most credit — worthy province could borrow in the Canadian capital market at the time of the loan. The yields to maturity on the 1981-82 loans range from 14.3 per cent to 18.1 per cent. New loans under this Division have been suspended indefinitely to provide additional funds to meet requirements identified in Alberta.

No new investments were made through the Energy Investment Division in 1981-82. Investments under this Division facilitate the development, processing or transportation of energy resources within Canada. The Division holds $25 million in debentures of Luscar Ltd., the proceeds of which were used for capital expenditures at three Alberta coal mines.

During the 1981-82 fiscal year $349 million was invested under the Capital Projects Division. Although these investments do not generate income for the Heritage Fund, they must meet the criterion of providing long-term social or economic benefits to Albertans. Funds for projects supported by the Capital Projects Division are appropriated, on an annual basis, by the Legislative Assembly.

During 1981-82 the largest new investment under the Capital Projects Division was a $100 million endowment provided to establish the Alberta Heritage Scholarship Fund. This Endowment Fund will support a range of scholarship programs for Alberta students many years into the future.

Two other new Capital Projects also got underway in 1981-82, an Occupational Health and Safety Research and Education Project which will promote accident prevention and on-the-job safety for workers and the construction of a Food Processing Development Centre to provide the food industry with an Alberta facility for the development and testing of new food products.

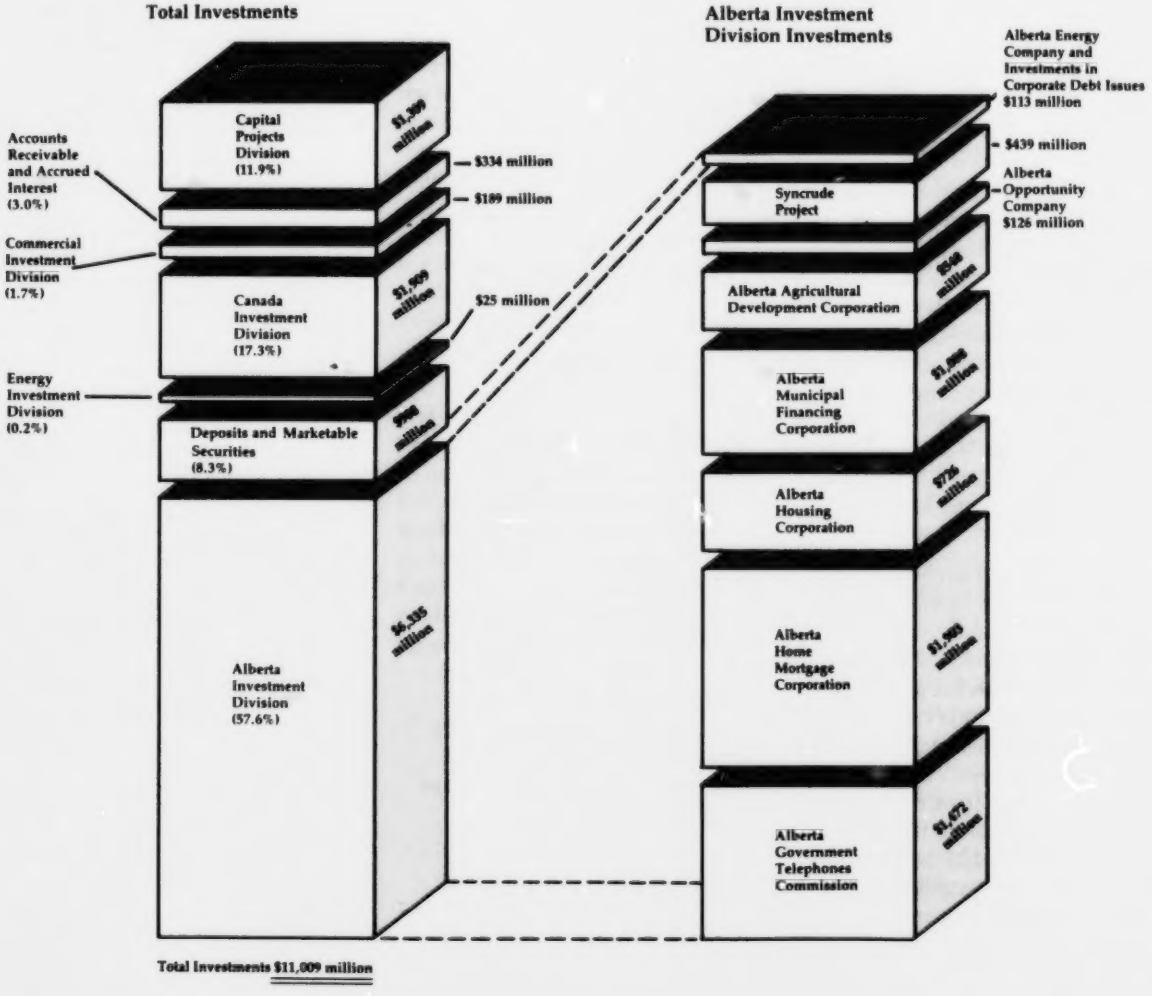
Other Capital Projects begun in previous years continued to receive Heritage Fund support in 1981-82, including the Walter C. MacKenzie Health Sciences Centre in Edmonton, the Southern Alberta Cancer Centre and Specialty Services Facility in Calgary, irrigation projects, the Alberta Oil Sands Technology and Research Authority and the purchase of hopper cars to improve the ability to move Alberta's grain to market.

Funds not used for investment under one of the five divisions described above were invested in a portfolio of deposits and marketable securities. At March 31, 1982 the assets of this portfolio totalled $908 million.

The Pension Fund

The Pension Fund was established late in the 1980-81 fiscal year by the transfer of $1,100 million from the General Revenue Fund. The Fund will help provide for the costs of pension benefits being earned by employees of the Province, local authorities and Alberta's universities. Any surplus of the contributions made by these

Chart 6 Alberta Heritage Savings Trust Fund March 31, 1982



employees and their employers over benefits paid out is invested in the Pension Fund to help meet future liabilities. In 1981-82 this surplus amounted to $110 million.

During 1981-82, the Pension Fund earned net income of $119 million which was retained in the Fund. At March 31, 1982 the Pension Fund had assets of $1,338 million.

The Alberta Heritage Foundation for Medical Research Endowment Fund

The Alberta Heritage Foundation for Medical Research Endowment Fund was established in 1979-80 with a contribution of $300 million from the Capital Projects Division of the Alberta Heritage Savings Trust Fund.

In accordance with the Alberta Heritage Foundation for Medical Research Act, the Provincial Treasurer holds and administers the Endowment Fund. A separate body, the Alberta Heritage Foundation for Medical Research, determines the research to be supported. When requested to do so by the Foundation, the Provincial Treasurer transfers money from the Fund to the Foundation to meet its purposes.

The Fund's net income for the year was $44 million. A total of $15 million was transferred to the Alberta Heritage Foundation for Medical Research. The Fund's assets at March 31, 1982 amounted to $361 million.

The Alberta Heritage Scholarship Fund

During 1981-82 an endowment of $100 million was made from the Capital Projects Division of the Heritage Fund to establish the Alberta Heritage Scholarship Fund. The Scholarship Fund operates under the provisions of the Alberta Heritage Scholarship Act.

In accordance with the Act, the Provincial Treasurer holds and administers the Fund while the Lieutenant Governor in Council approves the annual expenditure for scholarship programs. The Students Finance Board administers the scholarship applications. During 1981-82 seven scholarship award programs were developed and over 4,000 scholarships with a total value of $6 million were provided to Alberta students.

In the 1981-82 fiscal year the Scholarship Fund earned net income of $14 million. At March 31, 1982 the assets of the Fund totalled $109 million.

Other Regulated Funds

Other regulated funds provide a variety of services and benefits to Albertans.

The Health Care Insurance Fund, through which medicare is delivered to Albertans, made payments for basic and extended health services in the province amounting to $451 million in 1981-82. Of this, $218 million was provided by the Province, $141 million by premium payments, $82 million by contributions from the Government of Canada and $11 million by interest income.

Another important regulated fund is the Utility Companies Income Tax Rebates Fund which rebates 95 per cent of federal and 100 per cent provincial income taxes paid by privately owned electric utilities in the province. These companies in turn pass the savings along to consumers. In 1981-82, $92 million was returned to consumers in this way.

A portion of automobile licence fees is placed in the Motor Vehicle Accident Claims Fund, from which claims against uninsured vehicles are paid.

A number of additional regulated funds enable the provision of a variety of services which complement the programs of government departments.

Provincial Corporations

A provincial corporation is one which is either wholly-owned by the government or has the majority of directors appointed by the government. Provincial corporations deliver government programs and initiatives in diverse areas of activity. The provincial corporations described in this section are subsidized in some manner by the General Revenue Fund. Many of them meet all or a portion of their capital requirements through the sale of debentures to the Alberta Heritage Savings Trust Fund.

Alberta Home Mortgage Corporation

The Alberta Home Mortgage Corporation (AHMC) provides loans and incentives to increase the supply of affordable rental and ownership accommodation available in the market for low and middle income Albertans.

Through the Alberta Family Home Purchase Plan, the Corporation offered assistance to 7,990 Alberta families, allowing them to purchase their own homes during 1981-82. This program provides mortgage financing and, depending on family income, a subsidy toward the family's mortgage payments.

The Core Housing Incentive Program encourages the construction of affordable rental housing in centres with populations of over 5,000 by providing loans at favourable interest rates. This program assisted in the construction of 6,319 units in 1981-82, an increase from 4,721 units the previous year.

To encourage the construction of apartments in smaller centers the Corporation provides financing under the Modest Apartment Program. During the latter part of 1981-82, the Corporation responded to the increased demand for rental accommodation in Calgary by temporarily accepting applications under the Modest Apartment Program from that city. Partially as a result of the change, AHMC committed to finance 1,913 units in 1981-82 compared to 280 units in 1980-81.

Through the major programs highlighted above and other programs, the Corporation committed financing for the construction of a total of 17,553 units during 1981-82. This commitment was equivalent to 46 per cent of the total housing starts in the province during the year. The high interest rates that prevailed during the year helped create a record demand for AHMC mortgages and increased the subsidy payments required.

To meet its requirements for capital funds during 1981-82, the Corporation borrowed $749 million (net) from the Alberta Investment Division of the Alberta Heritage Savings Trust Fund. Its operating requirements were met by a budgetary appropriation of $36 million from the Department of Housing and Public Works. Of this, $25.6 million was a deficit resulting from the Corporation making loans at less than its cost of borrowing and $10.6 million resulted from administrative expenses.

Alberta Housing Corporation

The principal mandate of the Alberta Housing Corporation (AHC) is the provision of affordable housing for senior citizens and low to middle income Albertans whose housing needs cannot be met in the market place.

Under the Corporation's Senior Citizens Self-Contained Programme AHC committed to construct 2,070 units in 1981-82. In addition funds were committed for 366 beds in Senior Citizens lodges. For low to moderate income Albertans of all ages the Corporation committed 1,056 rental units under its Community Housing Programme. The operating deficits of these projects will be met by the Province or in some cases shared by the provincial, federal and municipal governments.

Under other programs, AHC constructed 73 units under its Transitional Housing Program for Albertans relocating to receive training and employment and 22 units of staff housing for provincial employees in remote locations. The Corporation also committed $51 million for development in Fort McMurray and $67 million for land banking and development activity in communities throughout the province.

The Alberta Housing Corporation borrowed $200 million (net) from the Alberta Heritage Savings Trust Fund to support its capital activities during 1981-82. The Corporation received an appropriation from the Department of Housing and Public Works to cover its $62 million operating deficit. This deficit primarily arose from interest payments on outstanding debt and the Province's share of the operating costs of facilities built under the Corporation's programs.

Alberta Agricultural Development Corporation

The Alberta Agricultural Development Corporation (AADC) provides loans, loan guarantees and interest rebates to farmers, agricultural industries and associated businesses. The Corporation's programs are intended to supplement the financing available from conventional lenders and other government agencies. AADC's objectives are to assist in the establishment and maintenance of family farms, to provide financing for productivity improvements and to encourage the processing, in Alberta, of Alberta's agricultural products.

In 1981-82, the Corporation made 1,550 direct farm loan commitments totalling $225 million, compared to 1,299 loans totalling $179 million the previous year. The majority of these loans, totalling $193 million, were made under the Corporation's Beginning Farmer Program with the objective of helping individuals to establish viable farms. Loans are provided at AADC's preferred interest rate of 12 per cent. In addition beginning farmers who meet certain farm development objectives receive an interest rebate of 6 per cent for the first five years of the loan. Unlike AADC's other programs, the Beginning Farmer program does not have a "lender of last resort" criterion.

The Corporation also provided 4,581 farm loan guarantees totalling $65 million in the year. Alberta agribusinesses received 57 loans and loan guarantees totalling $26 million.

To finance its loan operations, AADC borrowed $225 million (net) from the Alberta Heritage Savings Trust Fund. In addition, the Corporation received an appropriation of $31 million through the Department of Agriculture. Of this $14 million was paid as interest subsidies directly to farmers qualifying under various incentive programs and $5 million was allocated to cover operating costs. The balance represents the difference between the Corporation's cost of borrowing and the interest revenue received by the Corporation. While AADC borrowed at market interest rates during 1981-82, the Government of Alberta maintained a policy of not passing on the full cost of high and fluctuating interest rates to AADC's borrowers. This allowed borrowers during 1981-82 to obtain loans at rates similar to those available in the previous year.

Alberta Opportunity Company

The Alberta Opportunity Company (AOC) operates as a lender of last resort by providing loans and guarantees to small businesses unable to obtain financing on reasonable terms and conditions from conventional sources. The objectives of the Company are to promote the growth and diversification of the provincial economy by lending primarily to new unproven businesses and to businesses located away from the major centres of Edmonton and Calgary where conventional financing may be less readily available. In addition, the Company offers a consulting and advisory service to Alberta businesses, thereby assisting small business to acquire more of the skills required to operate in a rapidly changing economy.

In 1981-82 the Company authorized 311 loans and loan guarantees totalling $42 million of which $34 million was disbursed to make direct loans. In keeping with its emphasis on small business, the Company made 39 per cent of its loans to businesses requiring less than $50,000 and a further 28 per cent to businesses borrowing between $50,000 and $100,000. Eighty-six per cent of its loans were outside Edmonton and Calgary.

During the year, the Alberta Opportunity Company borrowed $19 million (net) from the Alberta Heritage Savings Trust Fund. The Company received an additional $15 million of its lending requirements from the loan repayments of its borrowers. To assist the Company with its operating costs, the Department of Tourism and Small Business provided a grant of $5 million to cover the interest cost of a ten year $50 million debenture issued to the Heritage Fund in 1979.

Alberta Municipal Financing Corporation

The Alberta Municipal Financing Corporation (AMFC) provides loans to municipalities, school systems and hospitals. The interest rates at which AMFC lends are based on its borrowing cost at the time of the loan. An Alberta government guarantee of its debt obligations and access to a number of financial markets allows the Corporation to borrow at lower interest rates than would be available to local authorities borrowing individually. These savings are passed on to Alberta municipalities, school systems and hospitals and hence, to taxpayers.

The rapid growth of Alberta's population in the recent past led to a growing demand for expanded and improved municipal facilities. During the year ended December 31, 1981, the Corporation's loans to local authorities totalled $844 million, an increase of 14 per cent over the previous year.

During the year, interest rates were extremely volatile resulting in AMFC's rate on twenty year loans to local authorities ranging from 13.75 per cent to 19.0 per cent. Over 90 per cent of the loans to municipalities were sheltered from these high and fluctuating interest rates through the Department of Municipal Affairs' Municipal Debenture Interest Rebate Program. In the year ended March 31, 1982 this program rebated $43 million in interest costs.

During the 1981 calendar year, the Corporation borrowed $412 million from the Alberta Heritage Savings Trust Fund, $154 million from the General Revenue Fund and $265 million from the Canada Pension Plan to finance its lending activities.

Alberta Petroleum Marketing Commission

The Alberta Petroleum Marketing Commission (APMC) acts as an agent, under the Petroleum Marketing Act, to sell the crown's royalty share and the lessee's share of petroleum produced from crown leases. The Commission is also responsible, under the Natural Gas Pricing Agreement Act, for natural gas sales in Alberta.

APMC is responsible for administering the Memorandum of Agreement between the Governments of Alberta and Canada on energy pricing. Its activities include issuing bulletins prescribing prices for petroleum produced from crown leases with the object of maintaining a specific average field price incorporating variations in quality. The Commission also arranges sales and then remits the proceeds of sales to the operator, less the crown's royalty share which is remitted to the Provincial Treasurer.

APMC also administers the Natural Gas Pricing Agreement of the provincial and federal governments. As part of its responsibility for natural gas sales APMC administers a fund comprised of revenues from gas exports made to the U.S.A. Each month the Commission makes payments from the fund to all producers, based on their production, to ensure that all Alberta producers share the benefit of higher export prices.

At December 31, 1981, the Commission's assets stood at $607 million with liabilities of $328 million due to crown lessees and $236 million due to the Province. During 1981 APMC's sales were $5,565 million with the lessee's share being $3,135 million and the crown's share $2,062 million. In 1981 the Commission received a contribution of $2.2 million from the Province which, along with interest income of $2.3 million, was used to meet its operating costs.

Energy Resources Conservation Board

The Energy Resource Conservation Board (ERCB) is responsible for performing regulatory and other functions relating to the exploration, development, production and transportation of Alberta's oil, gas, oil sands, electrical energy and coal resources. These functions include the appraisal of energy resources, the collection and publication of energy resource information and the provision of advice and technical assistance to the government on matters such as implementation of the Canada/ Alberta Energy Pricing and Taxation Agreement and the Exploratory Drilling Incentives Program.

The ERCB generates revenues through a tax levy on oil and gas properties in the province. In addition, the Board generates revenue through the sale of drilling licenses, pipeline permits and fees for information on oil well drilling and production. During 1981-82, the Board received $13 million in tax revenues and generated $4 million in miscellaneous revenues. The Board also obtained a contribution of $14.5 million from the Province to help defray its expenditures, primarily administrative costs, which totalled $33.5 million.

Alberta Oil Sands Technology and Research Authority

The Alberta Oil Sands Technology and Research Authority (AOSTRA) promotes the development of new technology for the recovery and processing of petroleum from the Alberta oil sands, the recovery of heavy oil and enhanced recovery of oil from conventional petroleum reserves.

During 1981-82, AOSTRA and industry were jointly involved in 7 projects testing a variety of in-situ processes for the recovery of bitumen and heavy oil found in the Peace River, Athabasca, Carbonate and Cold Lake deposits. These activities were part of AOSTRA's plan to assist in the establishment of a series of pilot projects in each of Alberta's major oil sands and heavy oil reservoirs.

Under a program to enhance the recovery of conventional and heavy oils, AOSTRA and the Alberta Energy Company constructed a pilot project at Suffield which began operations in February, 1982. Also under this program, AOSTRA participated with Petro Canada Exploration Inc. in a pilot project located at Lloydminister.

During 1981-82 AOSTRA co-operated with twelve other private and government organizations to assess the technical and economic feasibility of nine new processes for upgrading heavy oil.

The Authority operates on the principle that the technology derived with AOSTRA funding be made available to all interested parties on fair business terms. During the year ended March 31, 1982, AOSTRA received $3 million from the sale of technology and $28.5 million of appropriated funds from the Capital Projects Division of the Alberta Heritage Savings Trust Fund. Of these funds, $14 million was expended on in-situ oil sands projects and $7 million on institutional research. The remainder went toward other research projects in areas such as heavy oil and the mining and extraction of oil and oil sands.

Alberta Research Council

In broadest terms, the objective of the Alberta Research Council (ARC) is to further the economic development of the province through the conduct of scientific and engineering research and the provision of technical information and services to industry and government. The operations are guided by a 14 member council representing business and industry, Alberta's universities and the provincial government.

During 1981-82, the Council allocated $9.5 million for research into energy resources such as oil sands and coal development. A similar amount was allocated to study the province's mineral, land and water resources and $4.3 million was expended for industrial and engineering research. The council also allocated $2.8 million for research in its frontier sciences division which studies developments in conventional disciplines such as biology. Total expenditures by the Council in the year, including administrative costs, were $30 million of which $15 million was met by revenues generated by contracts, the remainder by a grant from the Province.

Alberta Hail and Crop Insurance Corporation

The Alberta Hail and Crop Insurance Corporation administers two separate insurance programs, Hail Insurance and "All Risk" Crop Insurance. The former program provides protection against crop losses caused only by hail while the latter provides protection from losses caused by all natural hazards except hail.

While the Hail Insurance Program is self sustaining, administrative costs associated with the Crop Insurance Program are paid by an appropriation of the Alberta Department of Agriculture and, further, one-half of the premium costs are paid by the Government of Canada.

In 1981-82, the Hail Insurance Program had 10,636 policy holders and paid out $6 million in claims while the Crop Insurance program had 18,695 participants and paid out $27 million in claims.

Alberta Educational Communications Corporation

The purpose of the Alberta Educational Communications Corporation (ACCESS) is to provide for educational broadcasting and for the development, production and distribution of educational programs and materials. Its role is complementary to the total educational system within Alberta, providing services from the early childhood level to adult education.

In 1981-82, ACCESS produced 258 half hour programs for television and multimedia. In addition, ACCESS provided 10 hours of educational television programs weekly via commercial stations as well as a full time broadcasting service through its AM and FM networks. The Corporation also implemented an experimental broadcast service in 1981-82, "Project Outreach", via the ANIK-B satellite, making ACCESS programs available to remote areas of the province.

For its 1981-82 activities, ACCESS received an operating grant of $11 million from the General Revenue Fund through an appropriation of the Executive Council. The Corporation also generated revenues of $1 million from its own operations.

Commercial Enterprises

The provincial corporations, committees and enterprises included in this section are those which operate on the basis of their full cost being supported by charges for goods and services. These entities do not receive subsidies from the General Revenue Fund.

Alberta Government Telephones

The Alberta Government Telephones Commission (AGT) provides Albertans with telephones, telecommunications and data processing services. 1981 marked the network's 75th year of service. The telephone system was established in 1906 at a time when the province was served by some 2,000 telephones leased by the Bell system. In 1958, AGT was established as a provincial corporation at which time it operated 184,311 telephones for Albertans. By the end of 1981, AGT had 1,333,358 telephones in service and provided a long distance link to an additional 498,000 telephones in Edmonton where the city operates its own local system.

During its 75th year, AGT responded to the challenges of rapidly changing technology, the growth in demand for existing services and the demand for new services. AGT added 115,000 telephones to its network in 1981, and took major steps to convert the existing analog transmission system to a digital transmission system which transmits the voice as a series of electronic pulses. Digital toll switches were installed in Calgary, Edmonton and Grande Prairie.

AGT also makes available a number of other communication services to businesses. AGT responded to increased demand for data processing by expanding the service provided by its division Altel Data, to include new accounting application software and hardware for small, medium and large businesses. Altel Data offers a complete range of products for data processing, from supplies to the lease of complete computer systems. In 1981, Albertas mobile telephone system, which is one of the worlds largest, was expanded by 2,000 users to a total of 25,000.

AGT invested $480 million in new capital assets during the year ended December 31, 1981, bringing total assets to $2,072 million. To finance its requirements, AGT issued debentures totalling $35 million (net) to the General Revenue Fund and $249 million (net) to the Alberta Heritage Savings Trust Fund.

Treasury Branches

The Treasury Branches provide a wide range of financial services to Albertans through a network of over 200 branches and agencies located in all parts of the province. At March 31, 1982, deposits with the Treasury Branches totalled $2,657 million, an increase of $331 million from the previous year, while the loan portfolio grew to $2,334 million.

Expenditures for the year totalled $405 million, of which $329 million was paid as interest to depositors. Treasury Branches' income in 1981-82 was $2 million, of which $1 million was transferred to the Province's General Revenue Fund.

In 1981-82, the Treasury Branches were involved in the formation of the Canadian Payments Association. The Association is being created to perform the operations of national cheque clearing and settlements that are now provided by the chartered banks. Membership in the Canadian Payments Association will allow the Treasury Branches, if they choose, to directly clear their cheques and settlements.

Workers' Compensation Board

Through an insurance program supported by industry, the Workers' Compensation Board (WCB) provides medical and vocational rehabilitation and compensation to injured workers. The Board pays compensation to workers with temporary disabilities and awards pensions to those with permanent disabilities and provides survivors' pensions.

Revenue is obtained from assessments on employers in the province and from interest on the Board's accumulated assets. The Board maintains assets sufficient to cover the future costs of pensions payable as a result of accidents that have occurred to date.

During 1981, the number of accident reports increased by 4 per cent to 156,099. In total, the compensation, medical and pension payments made by the Board registered a 21 per cent increase over the previous year to $185 million. The Board's revenue in the year amounted to $238 million and at year end it held $685 million in assets.

Vocational and rehabilitation services were provided to 8,713 injured workers and the WCB's Rehabilitation Centre assisted 2,380 injured workers in 1981.

Alberta Liquor Control Board

The Alberta Liquor Control Board (ALCB) licences outlets to sell liquor and operates retail outlets for the sale of liquor for home consumption.

At year end, December 31, 1981, the Board operated 189 retail outlets and 12 retail beer stores. The Board's net income for the year totalled $237 million of which $183 million was remitted to the General Revenue Fund. The balance was used to purchase fixed assets and provide for the current requirements of the Board.

Alberta Terminals Ltd.

Alberta Terminals Ltd. (ATL) operates inland grain terminals at Calgary, Edmonton and Lethbridge, providing facilities and services to private grain companies and co-operatives involved in the grain trade and the movement of agricultural commodities.

During the crop year, ending July 31, 1981, ATL throughput was 207,575 tonnes. Net income of $144,081 was earned on operating revenues totalling $3 million.

Financial Statements

Introduction 26

General Revenue Fund

Statement of Reported Assets, Liabilities and Net Assets 27

Statement of Budgetary Revenue and Expenditure 28

Statement of Changes in Financial Position 29

Notes to the Financial Statements 30

Schedules to the Financial Statements 34

Province of Alberta

Consolidated Statement of Reported Assets, Liabilities and Net Assets 43

Consolidated Statement of Revenue and Expenditure 44

Consolidated Statement of Changes in Financial Position 45

Notes to the Consolidated Financial Statements ... 46

Schedules to the Consolidated Financial Statements 52

The financial statements in this publication are extracted from the audited financial statements published in the Public Accounts of Alberta, 1981-82.

A. D. O'Brien
Controller

Introduction

General Revenue Fund Financial Statements

The General Revenue Fund of the Province receives all public money, except money over which the Legislature has no power of appropriation and money which is otherwise specially disposed of by legislation. Once received in the General Revenue Fund, funds may be expended on the authority of a supply vote approved by the Legislative Assembly, a special warrant ordered by the Lieutenant Governor in Council, or a provincial statute.

Public money over which the Legislature has no power of appropriation is money paid in trust to the Province to be used for the purposes prescribed by the payer or settlor. Money otherwise specially disposed of by legislation represents fees or other revenues directed by legislation to be paid into a regulated fund to be used for special purposes. All other public money is paid into the General Revenue Fund.

Expenditures are made from the General Revenue Fund on the authority of supply votes approved by the Legislature, including special warrants ordered by the Lieutenant Governor in Council which are deemed to be supply votes. These expenditures are reported in the General Revenue Fund financial statements as "Budgetary Expenditure — Voted Appropriations".

Expenditures may be made from the General Revenue Fund on the authority of legislation which may direct the transfer of revenue to another fund, shown in the financial statements as a reduction of Budgetary Revenue; or which directs certain types of expenditure which are disclosed as "Budgetary Expenditure — Statutory Appropriations".

The term "Budgetary" is used to describe revenue or expenditure that affects General Revenue Fund "Net Assets". Non-budgetary transactions affect financial claims or liabilities recorded in the General Revenue Fund Statement of Reported Assets, Liabilities and Net Assets but do not change the "Net Assets" or surplus position.

Consolidated Financial Statements

The consolidated financial statements aggregate the financial operations and results of the General Revenue Fund, the Alberta Heritage Savings Trust Fund, other regulated funds, revolving funds, and certain provincial corporations and committees. These statements provide comprehensive information regarding the Province's overall financial operations. This information is not readily apparent from examination of the financial statements of each separate entity. A more detailed explanation of accounting policies used in the preparation of the consolidated statements is provided in the notes to the financial statements.

General Revenue Fund

Statement of Reported Assets, Liabilities and Net Assets
March 31, 1982 (thousands of dollars)

	1982	1981
Assets		
Cash and term deposits	$1,267,073	$1,670,617
Accounts receivable	971,562	680,522
Investments — marketable securities (Schedule 1)	881,863	601,550
Investments — long term (Schedule 2)	59,791	46,403
Loans and advances to government enterprises (Schedule 3)	48,555	41,411
Loans and advances — other (Schedule 4)	45,665	53,351
	$3,274,509	$3,093,854
Liabilities and Net Assets		
Liabilities		
Accounts and loans payable	$ 741,731	$ 572,117
Unearned revenue and suspense (Schedule 5)	60,764	79,627
Unmatured debt (Schedule 6)	145,470	156,663
	947,965	808,407
Net Assets		
Net assets at beginning of year	2,285,447	2,697,088
Budgetary surplus (deficit)	41,097	(411,641)
Net assets at end of year	2,326,544	2,285,447
	$3,274,509	$3,093,854
Indirect liabilities (Schedule 10)	$ 365,287	$ 361,558

See accompanying notes to the financial statements.

Statement of Budgetary Revenue and Expenditure
For the Year Ended March 31, 1982 (thousands of dollars)

	1982		1981
	Budget(a)	Actual	Actual
Budgetary revenue (Schedule 7):			
Taxes	$1,741,000	$1,947,363	$1,586,818
Non-renewable resource revenue	3,135,000	3,329,439	3,328,821
Payments from Government of Canada	788,000	1,007,125	670,044
Fees, permits and licenses	167,000	169,058	162,398
Utility and trading profits	180,000	188,882	227,804
Other	356,000	442,843	602,396
	6,367,000	7,084,710	6,578,281
Budgetary expenditure:			
Voted appropriations (Schedule 8):			
Health	1,566,430	1,543,712	1,214,608
Education	1,522,144	1,535,575	1,260,662
Social, cultural and recreational development	1,194,224	1,205,799	893,900
Economic development, transportation, utilities and resource management	1,437,880	1,787,018	1,380,231
Justice, policing and correctional institutions	253,478	262,667	212,122
General government	679,635	590,706	587,082
	6,653,791	6,925,477	5,548,605
Statutory appropriations (Schedule 9)	46,871	118,136	12,720
	6,700,662	7,043,613	5,561,325
Budgetary surplus (deficit) before extraordinary appropriations	(333,662)	41,097	1,016,956
Extraordinary statutory appropriations:			
Pension Fund Act	—	—	1,100,000
Hospital Debt Retirement Act	—	—	328,597
	—	—	1,428,597
Budgetary surplus (deficit)	$ (333,662)	$ 41,097	$ (411,641)

(a) Budgeted expenditure is reduced by $2,500 voted for investment purposes.

Statement of Changes in Financial Position
For the Year Ended March 31, 1982 (thousands of dollars)

	1982		1981
	Budget	Actual	Actual
Funds were provided by:			
Disposals, repayments and redemptions of marketable securities	$ —	$ 143,984	$1,306,812
Repayments of loans and advances:			
Government enterprises	36,000	35,310	32,427
Other	7,800	9,289	7,582
Unearned revenue and suspense	—	—	45,205
	43,800	188,583	1,392,026
Funds were required for:			
Budgetary deficit (surplus)	333,662	(41,097)	411,641
Add (deduct) non-cash items:			
Amortization of discount on investments and debt	—	2,409	1,467
Earnings on investments valued at equity	—	144	251
Decrease (increase) in provision to reduce investments to aggregate market value	(1,000)	(13,757)	43,563
Decrease (increase) in provision for exchange on debt payable in United States funds	(1,000)	(1,305)	138
Increase in provision for doubtful accounts and loans	(4,000)	(4,358)	(7,384)
Funds required for (provided by) budgetary operations	327,662	(57,964)	449,676
Purchase of investments:			
Marketable securities	—	438,171	1,307,154
Long term	—	13,244	1,570
Loans and advances:			
Government enterprises	39,000	42,770	32,673
Other	5,000	1,843	8,053
Debt retirement including sinking fund	5,000	9,972	10,894
Unearned revenue and suspense	—	18,863	—
	376,662	466,899	1,810,020
Net funds required	332,862	278,316	417,994
Add (deduct):			
Increase in receivables	—	294,842	149,036
Increase in payables	—	(169,614)	(25,070)
	—	125,228	123,966
Decrease in cash and term deposits	$ 332,862	$ 403,544	$ 541,960

Note 1
Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies:

(a) Reporting entity

The reporting entity is the General Revenue Fund. Activities of Provincial agencies and regulated funds are reported only to the extent of advances made from or repaid to the General Revenue Fund, contributions from the General Revenue Fund to cover expenses or operating deficits and repayments of contributions in excess of current requirements. Financial claims of and on revolving funds are included in the General Revenue Fund statements and the net funds required to finance revolving fund operations have been charged as budgetary expenditure, statutory appropriations.

(b) Basis of financial reporting

Revenues

Budgetary revenues are reported on an accrual basis except for net personal and corporate income taxes which are reported on a cash basis.

Expenditures

Expenditures represent the cost of goods and services acquired during the year and expenditures made or accrued in accordance with the conditions of approved grant programmes, including capital acquisitions, expenditures on capital programmes and grants for capital purposes.

Pension costs are reported on a current contributions basis and no provision is made for actuarial estimates of additional annual costs.

No provision is made for accrued employee vacation entitlements.

Reported assets and liabilities

Reported assets are limited to financial claims due to the General Revenue Fund and revolving funds as a result of events and transactions prior to March 31, 1982 except that net personal and corporate income taxes receivable are not reported.

Liabilities include all financial claims payable by the General Revenue Fund and revolving funds at March 31, 1982. No provision is made for actuarial estimates of liabilities in respect of the present or future benefits payable under Pension Acts with benefits directly chargeable to or guaranteed by the Province, accrued employee vacation entitlements, amounts payable under the Alberta Income Tax Act, commitments under construction or other contracts and agreements at the year end, including capital equipment leases.

Term deposits and payables in respect of forward exchange contracts denominated in foreign currency are translated at the current rate of exchange at the balance sheet date.

Unrealized exchange gains or losses which relate to the translation of hedged monetary assets are deferred.

Marketable securities are valued at cost or market value, whichever is lower, on an aggregate basis, except for investments in debentures issued by the Province and the Alberta Universities Commission, which are valued at amortized cost.

Long term investments are recorded at cost, except for investments in wholly owned Provincial corporations operated as commercial enterprises which are valued on an equity basis.

Sinking fund investments are valued at cost or market value, whichever is lower, on an aggregate basis, except for investments in debentures issued by the Province of Alberta, which are valued at amortized cost.

Unmatured debt is recorded at face amount of the issue plus a provision for exchange on debt payable in United States funds at the March 31 rate of exchange. Sinking fund assets and investments in Province of Alberta and Alberta Universities Commission debentures are deducted to report net unmatured debt payable in Canadian dollars at March 31.

Consistent with the reporting of capital acquisitions as expenditure, fixed assets are not reported.

Note 2
Pension Liabilities and Commitments

Under provisions of the Local Authorities Pension Act, the M.L.A. Pension Act, the Public Service Management Pension Act, the Public Service Pension Act, the Special Forces Pension Act and the Universities Academic Pension Act in effect until March 31, 1981, all pension contributions were credited as revenue to the General Revenue Fund and payments required under the Acts were made through appropriation therefrom.

Since April 1, 1981 pension receipts and pension payments have been recorded initially in the General Revenue Fund and transferred subsequently therefrom to the Pension Fund, pursuant to section 5 of the Pension Fund Act. The Act provides that payments in excess of Pension Fund net assets are to be charged to the General Revenue Fund. Pension Fund net assets at March 31, 1982 amounted to $1,330,085,000 (1981 — $1,100,709,000).

Actuarial valuations of the above Pension Acts were carried out at March 31, 1981 and estimated accrued liabilities were as undernoted.

	1981
Local Authorities Pension Act	$1,672,494,000
M.L.A. Pension Act	18,522,000
Public Service Management Pension Act	431,600,000
Public Service Pension Act	1,351,735,000
Special Forces Pension Act	167,518,000
Universities Academic Pension Act	472,129,000
	4,113,998,000
Less Pension Fund balance at March 31, 1981	1,100,709,000
Unfunded accrued liability	$3,013,289,000

The 1981 figures were estimated by calculating the present value, at March 31, 1981, of benefits that accrued in respect of service to that date. The valuations were based on a common set of economic assumptions, including rate of salary increases due to inflation, interest rates and rates of discretionary cost of living increases for present and future retired members. Demographic assumptions used in estimating the above liabilities, including mortality, termination, retirement, and marital status and salary increases due to promotion and merit, varied from plan to plan according to the particular characteristics of each plan.

Under provisions of the Teachers' Retirement Fund Act, payment of all benefits is guaranteed by the Province of Alberta. An actuarial valuation at August 31, 1978 indicated that Teachers' Retirement Fund assets were insufficient by an amount of approximately $742,000,000 to meet the liabilities of the fund. The actuarial valuation was based on a different set of assumptions and methods to those used for the above Pension Acts and no amount was included for future discretionary cost of living increases.

Note 3
Contingent Liabilities

The Province has a contingent liability in respect of a statement of claim issued on February 19, 1982. The plaintiffs are the members of the Lubicon Lake Band and the Cree Community of Little Buffalo Lake. The defendants are the Province of Alberta and a number of oil companies. The plaintiffs claim entitlement to at least 60 square miles of land in Northwestern Alberta as a reserve. They are also claiming $700,000,000 in lieu of royalties and revenues, or alternatively a reserve of 60 square miles including mines and minerals together with $200,000,000 damages, and interest on all amounts.

The Province has a contingent liability in respect of a statement of claim filed by eight Metis Settlement Associations. On February 2, 1977 it was contended that the Province had received approximately $30,000,000 from the sale, lease or rental, royalties and fees from the petroleum and natural gas rights on certain lands and that the Associations were entitled to the aforesaid monies as well as all monies thereafter accruing from these petroleum and natural gas rights.

The Province also has a contingent liability in respect of three other native land or mineral rights claims in which the amounts claimed are unspecified.

At March 31, 1982 the Province was named as defendant in various legal actions in addition to those noted above. The total claimed in specific legal actions of which the Attorney General's Department is aware amounts to approximately $73,037,000. Claims in legal actions reported by other departments not included in the above amount to approximately $8,221,000. Because the outcome of these actions is uncertain the likely loss to the Province, if any, cannot be determined.

Potential claims known to the Attorney General's Department and other departments amount to approximately $398,000. The likely resulting loss from these potential claims, if any, and other claims and potential claims for which no specific amounts have been claimed, cannot be determined.

The Province has a contingent liability to return to Indian Bands its share of oil export tax relating to the period October 1, 1973 to March 31, 1974 in respect of oil production from Indian lands. The Province is committed to return its share of oil export tax, which amounts to approximately $4,650,000, if the federal government makes a similar decision in respect of its share.

Details of amounts guaranteed are shown in Schedule 10.

No provision has been made in the financial statements for contingent liabilities resulting from litigation and guarantees.

Note 4
Subsequent Event

The Petroleum Incentives Program Act, assented to on November 20, 1981 providing for retroactive application of the programme to January 1, 1981, provides that non-renewable resource revenue in amounts estimated by the Minister of the Department of Energy and Natural Resources to be required to meet payments of incentives is to be transferred from the General Revenue Fund to the Alberta Petroleum Incentives Program Fund. As no applications were received by the Alberta Petroleum Incentives Program Fund prior to March 31, 1982 in respect of the period January 1, 1981 to March 31, 1982, no transfers of non-renewable resource revenue were made. Transfers of non-renewable resource revenue will be made in subsequent years in respect of qualifying activities of applicants carried out during the period January 1, 1981 to March 31, 1982, the amount of which is not determinable.

Note 5
Comparative Figures

The 1981 figures have been restated where necessary to conform to the 1982 presentation.

Schedule 1
Investments — Marketable Securities

	In thousands			
	1982		1981	
	Cost	Market Value	Cost	Market Value
Bonds and Debentures:				
Government of Canada, direct and guaranteed	$260,064	$222,172	$303,399	$278,509
Province of Alberta, direct and guaranteed	464,024	461,966	73,779	62,172
Other provinces, direct and guaranteed	127,949	90,237	135,247	108,837
Municipal	4,865	2,871	5,575	3,556
School districts and divisions	2,330	1,589	3,330	2,358
Corporate	19,584	16,047	25,790	21,821
	878,816	794,882	547,120	477,253
Mortgages	60,798	54,513	66,164	59,238
Long term promissory notes	46,892	46,892	77,151	77,151
	$986,506	896,287	$690,435	613 642
Less investment in debentures issued by the Province and the Alberta Universities Commission deducted from unmatured debt		14,424		12,092
		$881,863		$601,550

Schedule 2
Investments — Long Term

	In thousands	
	1982	1981
Alberta Municipal Financing Corporation Class A shares, at cost	$ 45	$ 45
Pacific Western Airlines Ltd. common shares, at cost (a)	37,561	37,554
Ridley Grain Ltd. non-interest bearing Series A participating debenture, at cost	10,737	—
Total at cost	48,343	37,599
Alberta Terminals Ltd. common shares, at equity (b)	11,448	8,804
Total at equity	11,448	8,804
	$59,791	$46,403

Schedule 2
Investments — Long Term (cont'd)

(a) The investment in Pacific Western Airlines Ltd., which represents 99.84% (1981 — 99.82%) of the outstanding voting shares, has not been adjusted for the Province's share of retained earnings. Pacific Western Airlines Ltd. reported earnings for the year ended December 31, 1981 of $17,926,000 (1980 — $12,236,000) and retained earnings at December 31, 1981 of $70,333,000 (1980 — $52,407,000).

(b) The investment in Alberta Terminals Ltd., representing 100% of the outstanding voting shares, is valued at equity, being cost adjusted for post-acquisition operating results. Equity at March 31, 1982 represents cost $11,053,000 (1981 — $8,553,000) plus retained earnings of $395,000 (1981 — $251,000).

Schedule 3
Loans and Advances to Government Enterprises

	In thousands	
	1982	1981
Loan Funds:		
Rural Electrification Revolving Fund	$40,985	$36,002
Homestead Lease Loan Fund	657	658
Municipal Loans Revolving Fund	571	1,621
Students Loan Fund	356	439
	42,569	38,720
Other Regulated Funds and Agencies:		
Alberta Resources Railway Corporation	9,419	9,419
Motion Picture Development Fund	3,000	—
Alberta Hail and Crop Insurance Corporation	2,344	537
Alberta Government Telephones Commission	648	1,857
Alberta Opportunity Company	312	612
Public Trustee	25	25
	15,748	12,450
	58,317	51,170
Less allowance for doubtful loans and advances	9,762	9,759
	$48,555	$41,411

Schedule 4
Loans and Advances — Other

	In thousands	
	1982	1981
Advances under the Municipal Land Loans Act — cities	$19,371	$20,364
Accountable advances	9,710	10,819
Brazeau River development costs recoverable from TransAlta Utilities Corporation	4,418	8,837
Airport terminal costs recoverable from the Government of Canada	3,975	5,711
Guarantees implemented	2,826	6,984
University of Alberta Students' Union	2,769	2,858
University of Calgary Students' Union	1,518	1,562
Foothills Provincial General Hospital	1,500	1,500
Judgement debts	1,258	1,232
University of Alberta Hospital	900	900
Advances under water transmission pipeline agreements	818	818
Canadian Co-operative Implements Ltd.	787	—
Provincial Cancer Hospitals	451	451
Glenrose Provincial General Hospital	350	350
Chembiomed Ltd.	200	—
Advances under the Cemeteries Act	85	85
Miscellaneous	3	3
	50,939	62,474
Less allowance for doubtful loans and advances	5,274	9,123
	$45,665	$53,351

Schedule 5
Unearned Revenue and Suspense

	In thousands	
	1982	1981
Unearned Revenue:		
Cash on hand or in transit in respect of revenue of the next fiscal year	$59,354	$54,191
Suspense:		
Cash on hand or in transit which will be disbursed to other funds, refunded or credited to revenue of the next fiscal year	1,410	25,436
	$60,764	$79,627

Schedule 6
Unmatured Debt

Date of Issue	Date of Maturity	In thousands 1982	1981
Debentures:			
Canada Pension Plan Investment Fund			
July 4, 1972	July 4, 1992	$ 9,107	$ 9,107
Aug. 1, 1972	Aug. 1, 1992	7,520	7,520
Sept. 1, 1972	Sept. 1, 1992	8,402	8,402
Oct. 2, 1972	Oct. 2, 1992	5,724	5,724
Nov. 1, 1972	Nov. 1, 1992	5,947	5,947
Dec. 1, 1972	Dec. 1, 1992	5,484	5,484
Other			
Dec. 2, 1968	Dec. 2, 1988	12,500	12,500
Apr. 15, 1970	Apr. 15, 1990	3,000	3,000
Nov. 16, 1970	Nov. 16, 1990	35,000	35,000
Jun. 15, 1971	Jun. 15, 1991	25,000	25,000
Oct. 15, 1971	Oct. 15, 1991	50,000	50,000
Mar. 31, 1972	Mar. 31, 1992	4,000	4,000
Dec. 1, 1967	Dec. 1, 1992	20,000	20,000
Mar. 1, 1969	Mar. 1, 1994	36,909(a)	35,604(a)
		228,593	227,288
Less:			
Provincial sinking fund		68,699	58,533
Investment in debentures issued by the Province of Alberta and the Alberta Universities Commission		14,424	12,092
		83,123	70,625
Net unmatured debt		$145,470	$156,663

(a) Includes provision for exchange at year end on debentures payable in United States funds (U.S. $30,000,000).

Schedule 7
Budgetary Revenue

	In thousands		
	1982		1981
	Budget	Revenue	Revenue
Taxes:			
Personal income tax, net	$ 1,098,000	$ 1,322,699	$ 937,636
Corporate income tax, net	389,000	415,716	434,719
Freehold reserves tax	165,000	134,826	145,795
Pari-mutuel tax	14,000	11,265	9,710
Tobacco tax	26,000	26,663	24,374
Other	49,000	36,194	34,584
	1,741,000	1,947,363	1,586,818
Non-Renewable Resource Revenue:			
Crude oil royalty	1,841,000	2,177,983	1,969,062
Natural gas and by-products royalty	2,167,000	1,956,294	1,903,045
Synthetic crude oil royalty	351,000	229,714	224,922
Coal royalty	9,000	11,921	8,263
Rentals and fees	87,000	102,879	93,477
Bonuses and sales of crown leases	400,000	556,914	758,838
Exploratory drilling and geophysical incentive credits	(209,000)	(156,205)	(148,476)
	4,646,000	4,879,500	4,809,131
Allocation to Alberta Heritage Savings Trust Fund (a)	(1,394,000)	(1,463,850)	(1,442,739)
	3,252,000	3,415,650	3,366,392
Allocation to Natural Gas Rebates Fund	(117,000)	(86,211)	(37,571)
	3,135,000	3,329,439	3,328,821
Payments from Government of Canada:			
Hospital insurance	240,000	260,950	205,021
Canada assistance plan	171,000	239,197	154,777
Post-secondary education	128,000	167,856	116,686
Training of manpower	37,000	34,505	33,141
Extended health care	64,000	69,329	55,807
Energy resources research	24,000	24,000	24,000
Oil export charge	99,000	160,950	35,000
Other	25,000	50,338	45,612
	788,000	1,007,125	670,044
Other Fees, Permits and Licenses:			
Motor vehicle licenses	77,000	70,609	67,204
Land Titles Act	28,000	26,765	25,009
Timber rentals and fees	10,000	9,391	7,655
Other	52,000	62,293	62,530
	167,000	169,058	162,398
Utility and Trading Profits:			
Alberta Liquor Control Board	170,000	187,500	217,300
Other	10,000	1,382	10,504
	180,000	188,882	227,804
Other Revenue:			
Revenue producing assets	279,000	346,136	368,082
Pension funds	—	—	161,906
Refunds of expenditure	35,000	47,846	38,821
Fines and penalties	19,000	20,655	18,311
Sales of assets	13,000	13,555	7,670
Miscellaneous	10,000	14,651	7,606
	356,000	442,843	602,396
Total revenue	$ 6,367,000	$ 7,084,710	$ 6,578,281

Schedule 7
Budgetary Revenue (cont'd)

(a) The following table shows how the 30% allocation of non-renewable resource revenue to the Alberta Heritage Savings Trust Fund for the fiscal years ended March 31, 1981 and 1982 was calculated. The table includes an analysis of the allocation and a reconciliation to the transfer reported by the Alberta Heritage Savings Trust Fund.

	In thousands	
	1982	1981
Net non-renewable resource revenue before allocation (i)	$ 4,879,500	$ 4,809,131
Allocation — 30% of preceding total (i)	$ 1,463,850	$ 1,442,739
Transferred during the year	$ 1,339,028	$ 1,348,721
Amount to be transferred (i)	124,822	94,018
Allocation	1,463,850	1,442,739
Decrease (increase) in amount to be transferred	(30,804)	2,750
Prior period adjustments of the Alberta Heritage Savings Trust Fund (ii):		
1981	—	(161)
1982	1,114	(1,114)
Transfer reported by the Alberta Heritage Savings Trust Fund	$ 1,434,160	$ 1,444,214

(i) These amounts are reported on an accrual basis. The transfer made to the Alberta Heritage Savings Trust Fund, pursuant to the Alberta Heritage Savings Trust Fund Act, was on a basis of cash received.

(ii) These adjustments were required pursuant to section 5(6) of the Alberta Heritage Savings Trust Fund Act to make the amounts of non-renewable resource revenue in the Alberta Heritage Savings Trust Fund for the two years ended March 31, 1981 equal to 30% of the non-renewable resource revenue received in those years.

Schedule 8
Budgetary Expenditure — Voted Appropriations

	In thousands 1982			1981
	Original Budget(a)	Total Authorized(b)	Expenditure	Expenditure
Legislative Assembly:				
Support to the Legislative Assembly	$ 8,575	$ 8,620	$ 8,548	$ 6,246
Office of the Auditor General	7,531	7,531	7,156	5,642
Office of the Ombudsman	622	684	677	530
Office of the Chief Electoral Officer	448	4,282	3,495	287
	17,176	21,117	19,876	12,705
Departmental:				
Advanced Education and Manpower	663,731	685,213	679,305	546,451
Agriculture	120,467	297,715	299,925	117,624
Attorney General	82,484	94,350	92,547	66,605
Consumer and Corporate Affairs	14,710	16,076	14,181	11,340
Culture	38,620	42,603	42,219	56,627
Economic Development	12,804	14,397	13,858	26,801
Education	869,408	874,144	870,547	727,863
Energy and Natural Resources	144,585	257,137	229,955	149,116
Environment	285,782	364,558	336,997	304,731
Executive Council	83,252	86,353	84,643	64,858
Federal and Intergovernmental Affairs	4,280	4,829	4,527	3,548
Government Services	106,057	116,992	117,225	92,091
Hospitals and Medical Care	1,367,410	1,449,657	1,339,373	1,056,283
Housing and Public Works	548,672	558,628	491,876	394,245
Labour	20,663	21,469	20,803	17,131
Municipal Affairs	218,007	219,754	215,605	169,963
Recreation and Parks	71,986	125,602	124,489	62,308
Social Services and Community Health	842,757	879,145	821,081	615,896
Solicitor General	156,284	162,327	155,939	134,177
Tourism and Small Business	17,504	18,331	17,960	15,402
Transportation	745,091	795,298	787,590	581,488
Treasury	93,602	96,669	95,051	176,178
Utilities and Telephones	61,459	61,514	49,905	145,174
Contingency	67,000	7,243	—	—
	6,636,615	7,250,004	6,905,601	5,535,900
Total expenditure charged to voted appropriations	$6,653,791	$7,271,121	$6,925,477	$5,548,605

(a) Reduced by $2,500,000 voted for investment purposes.

(b) Reduced by $18,275,000 authorized for investment purposes.

Schedule 9
Budgetary Expenditure — Statutory Appropriations

In thousands

	1982		1981
	Budget	Expenditure	Expenditure
Revolving Funds			
Culture Revolving Fund	$ (19)	$ (27)	$ (91)
Gas Alberta Operating Fund	—	(1,002)	462
Government Services Revolving Fund	5,060	11,935	6,439
Land Purchase Fund	19,990	60,760	38,881
Recreation and Parks Revolving Fund	—	—	(2)
School Book Branch	852	4,612	931
Transportation Revolving Fund	14,602	22,178	1,609
Water Resources Revolving Fund	381	241	788
	40,866	98,697	49,017
Blind Workers' Compensation Act	5	—	13
Retirement Annuities Act	--	19	6
Provision for doubtful accounts and loans	4,000	4,358	7,384
Provision for reduction of investments to market	1,000	13,757	(43,562)
Provision for exchange on debt payable in United States funds	1,000	1,305	(138)
Total expenditure charged to statutory appropriations	$46,871	$118,136	$12,720

Schedule 10
Indirect Liabilities

Guarantees of debt obligations that, if implemented, would be a charge on the General Revenue Fund are as follows:

	In thousands	
	1982	1981
Debentures:		
AEC Power Ltd.	$230,000	$230,000
University of Calgary	—	750
	230,000	230,750
Less sinking fund assets	—	721
	230,000	230,029
Bank, Treasury Branches and Credit Union Loans:		
Corporations and individuals under various government programmes	108,295	104,154
Other:		
Federal loans	19,009	19,279
Mortgage loans	7,983	8,096
	26,992	27,375
Total	$365,287	$361,558

The above amounts exclude guaranteed liabilities of government entities described in the table below, net of sinking funds and intra-governmental holdings:

	In thousands	
	1982	1981
Treasury Branches Deposits Fund	$2,547,175	$2,246,019
Alberta Municipal Financing Corporation	1,929,117	1,714,830
Alberta Government Telephones Commission	223,576	250,144
Alberta Housing Corporation	117,097	110,828
Alberta Resources Railway Corporation	57,079	60,004
Alberta Home Mortgage Corporation	11,927	24,249
	$4,885,971	$4,406,074

The Treasury Branches Deposits Fund and Alberta Municipal Financing Corporation have substantial financial assets to meet their liabilities. At March 31, 1982 the Treasury Branches Deposits Fund had financial assets of $2,663,987,000 to meet guaranteed deposits of $2,656,589,000 (1981 — $2,336,562,000 and $2,325,223,000), and Alberta Municipal Financing Corporation had financial assets of $3,270,203,000 to meet guaranteed debenture debt, net of sinking funds, of $3,211,693,000 (1981 — $2,431,864,000 and $2,353,424,000).

Province of Alberta

Consolidated Statement of Reported Assets, Liabilities and Net Assets
March 31, 1982 (thousands of dollars)

	1982	1981
Assets		
Cash and term deposits	$ 3,084,637	$ 3,540,845
Accounts receivable	2,006,819	1,488,085
Investments — marketable securities (Schedule 1)	1,888,157	1,734,632
Investments — long term (Schedule 2)	2,533,765	2,075,542
Equity in commercial enterprises (Schedule 3)	1,779,137	1,455,905
Loans and advances (Schedule 4)	5,994,072	4,163,779
	$17,286,587	$14,458,788
Liabilities and Net Assets		
Liabilities		
Accounts and loans payable	$ 1,552,602	$ 1,258,814
Unearned revenue and suspense	66,518	85,472
Unmatured debt (Schedule 5)	2,159,664	1,973,245
Reserve — mortgage insurance fund	26,841	18,399
Restricted profits and equity (Schedule 6)	1,453,562	1,210,976
	5,259,187	4,546,906
Net Assets		
Net assets at beginning of year	9,911,882	8,529,901
Net revenue	2,115,518	1,381,981
Net assets at end of year	12,027,400	9,911,882
	$17,286,587	$14,458,788
Indirect liabilities (Schedule 10)	$ 455,644	$ 449,154
Trust funds under administration	$ 1,004,464	$ 873,565

See accompanying notes to the financial statements.

Consolidated Statement of Revenue and Expenditure
For the Year Ended March 31, 1982
(thousands of dollars)

	1982	1981
Revenue (Schedule 7):		
Taxes	$ 2,121,539	$ 1,709,944
Non-renewable resource revenue	4,879,500	4,809,131
Payments from Government of Canada	1,088,933	790,099
Fees, permits and licenses	468,763	366,100
Utility and trading profits	186,650	209,312
Other	1,796,362	1,583,548
	10,541,747	9,468,134
Expenditure (Schedules 8 and 9):		
Health	1,874,128	1,489,886
Education	1,689,723	1,384,754
Social, cultural and recreational development	1,690,137	1,324,009
Economic development, transportation, utilities and resource management	2,248,760	1,701,053
Justice, policing and correctional institutions	269,681	217,869
General government	653,800	539,985
	8,426,229	6,657,556
Net revenue before extraordinary expenditure	2,115,518	2,810,578
Extraordinary expenditure:		
Pension Fund Act — transfer to restricted profits and equity (Note 3)	—	1,100,000
Hospital Debt Retirement Act	—	328,597
	—	1,428,597
Net revenue	$ 2,115,518	$ 1,381,981

Consolidated Statement of Changes in Financial Position
For the Year Ended March 31, 1982
(thousands of dollars)

	1982	1981
Funds were provided by:		
Net revenue	$ 2,115,518	$ 1,381,981
Non-cash items:		
Amortization of discount on investments	(190,405)	(109,995)
Provision for exchange on debt payable in United States funds	1,305	(1,914)
Loss retained by commercial enterprises	8,120	23,969
Provision for doubtful accounts and loans	14,512	13,407
Provision to reduce marketable securities to aggregate market value	106,688	8,906
Funds provided by operations	2,055,738	1,316,354
Repayment of loans and advances	173,651	427,878
Debt issues	317,576	230,090
Disposals, repayments and redemptions of investments:		
Long term	328,378	78,403
Equity in commercial enterprises	146,558	66,988
Restricted profits and equity	242,586	1,132,228
Mortgage insurance fees	8,442	7,135
	3,272,929	3,259,076
Funds were required for:		
Investments:		
Marketable securities, net	81,220	894,568
Long term	784,718	694,900
Equity in commercial enterprises	475,669	311,928
Loans and advances	2,013,974	1,387,964
Debt retirement	125,267	96,241
Unearned revenue and suspense	18,954	(49,755)
	3,499,802	3,335,846
Net funds required	226,873	76,770
Add (deduct):		
Increase in receivables	523,123	352,485
Increase in payables	(293,788)	(241,096)
	229,335	111,389
Decrease in cash and term deposits	$ 456,208	$ 188,159

Note 1
Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies:

(a) Reporting entity

These financial statements are consolidations of the financial statements of the General Revenue Fund, regulated funds, Provincial corporations and Provincial committees for which separate financial statements and summaries are presented in Volume 1 of the Public Accounts of Alberta, 1981-82.

Under the Financial Administration Act, Pacific Western Airlines Ltd., in which the Province holds a majority interest, and Alberta Energy Company Ltd., in which the Province holds 50% of the voting shares, do not come under the definition of Provincial corporation. The Province's investment in those companies is included in long term investments at cost. Housing authorities incorporated under section 39 of the Alberta Housing Act and new towns incorporated under section 5 of the New Towns Act are excluded from the definition of Provincial corporation. Accordingly the accounts of housing authorities and new towns are not included in the consolidated financial statements.

The following corporations are excluded from the definition of Provincial corporation and are exempted from all other provisions of the Financial Administration Act except section 2, which provides the exemption, and section 81 respecting the approval of borrowing by the Provincial Treasurer. Accordingly their accounts are excluded from the Public Accounts and the consolidated financial statements.

(a) The board of a university under the Universities Act

(b) The board of a public college under the Colleges Act

(c) The Governors of the Banff Centre for Continuing Education

(d) The Alberta Heritage Foundation for Medical Research

(e) The board of management of a Provincial General Hospital under the Provincial General Hospitals Act

(f) The Provincial Cancer Hospitals Board, and

(g) The University Hospitals Board under the University of Alberta Hospitals Act

The Board of Trustees of the Northland School Division is a Provincial corporation. The powers of the Board and its operations are, in all matters except the power to requisition a municipality for revenue, consistent with those of elected Boards of Trustees of school districts or divisions. The arrangements for funding of the Board by the Province are such that no surplus or deficit results from its operations and it has no effect on the financial position of the Province. The Board's accounts are not included in these financial statements.

(b) Method of consolidation

The accounts of revolving funds, regulated funds, Provincial corporations, except those designated as commercial enterprises, and Provincial committees are consolidated after adjusting them to a basis consistent with the accounting policies of the General Revenue Fund as described below in (c). Inter fund, corporation and committee revenue and expenditure transactions, financing transactions and related asset and liability accounts have been eliminated.

The accounts of commercial enterprises are recorded on an equity basis, the equity being computed in accordance with generally accepted accounting practices applicable to those enterprises.

The reporting period of eight of the Provincial corporations is for the year ended December 31,1981. Where the transactions of those corporations significantly affect the consolidation, they have been restated to March 31, 1982.

(c) Basis of financial reporting

Revenues

Revenues are reported on an accrual basis except for net personal and corporate income taxes which are reported on a cash basis.

Expenditures

Expenditures represent the cost of goods and services acquired during the year and expenditures made or accrued in accordance with the conditions of approved grant programmes, including capital acquisitions, expenditures on capital programmes and grants for capital purposes.

Pension costs are reported on a current contributions basis and no provision is made for actuarial estimates of additional annual costs.

No provision is made for accrued employee vacation entitlements.

Reported Assets and Liabilities

Reported assets are limited to financial claims on outside organizations and individuals as a result of events and transactions prior to March 31, 1982 except that net personal and corporate income taxes receivable are not reported.

Liabilities include all financial claims payable by the Province at March 31, 1982. No provision is made for actuarial estimates of liabilities in respect of the present or future benefits payable under Pension Acts with benefits directly chargeable to or guaranteed by the Province, other than the amount of $1,330,085,000 (1981 — $1,100,709,000) included in restricted profits and equity (see below). No provision is made for accrued employee vacation entitlements, amounts payable under the Alberta Income Tax Act, commitments under construction or other contracts and agreements at the year end, including capital equipment leases.

Term deposits and payables in respect of forward exchange contracts denominated in foreign currency are translated at the current rate of exchange at the balance sheet date.

Unrealized exchange gains or losses relating to the translation of unhedged monetary assets and liabilities are included in the determination of net revenue.

Unrealized exchange gains or losses which relate to the translation of hedged monetary assets are deferred.

Marketable securities are valued at cost or market value, whichever is lower, on an aggregate basis.

Long term investments are recorded at cost.

Unmatured debt is recorded at face amount of the issue plus a provision for exchange on debt payable in United States funds at the March 31 rate of exchange. Sinking fund assets are deducted to report net unmatured debt payable in Canadian dollars at March 31.

The reserve — mortgage insurance fund is to insure against losses on mortgages held by the Alberta Home Mortgage Corporation.

Restricted profits and equity refers to the profits and equity of Provincial corporations and regulated funds included in the consolidated financial statements which are restricted by legislation and are therefore excluded from net assets of the Province.

Consistent with the reporting of capital acquisitions as expenditure, fixed assets are not reported.

Note 2
Changes in Accounting Policy

The Pension Fund, which was excluded from the consolidated financial statements at March 31, 1981, is included in these financial statements. The 1981 figures have been restated to reflect this change. If the change had not been made, cash and term deposits, investments — marketable securities and restricted profits and equity at March 31, 1982 would have been $2,558,603,000, $1,115,997,000 and $123,477,000 respectively.

Equity in commercial enterprises includes the adjusted unremitted earnings of the Alberta Liquor Control Board to March 31, 1982. Unremitted earnings of the Alberta Liquor Control Board were previously included to December 31. The 1981 figures have been restated to reflect this change, increasing net assets in 1981 by $4,616,000. If the change had not been made, equity in commercial enterprises and net assets at March 31, 1982 would have been $1,773,532,000 and $12,021,795,000 respectively.

Additional adjustments of $925,000 were made to reduce net assets at March 31, 1981 as a result of changes in accounting policy by several Provincial corporations.

Note 3
Pension Liabilities and Commitments

On Februrary 13, 1981, $1,100,000,000 was transferred from the General Revenue Fund to the Pension Fund pursuant to section 2 of the Pension Fund Act. This transfer has been treated as extraordinary expenditure in the Statement of Revenue and Expenditure and included in restricted profits and equity. Pension payments in excess of the Pension Fund balance in restricted profits and equity will be charged to net assets of the Province. The Pension Fund balance in restricted profits and equity at March 31, 1982 amounts to $1,330,085,000 (1981 — $1,100,709,000).

Actuarial valuations of the following Pension Acts were carried out at March 31, 1981 and estimated accrued liabilities were as undernoted.

	1981
Local Authorities Pension Act	$1,672,494,000
M.L.A. Pension Act	18,522,000
Public Service Management Pension Act	431,600,000
Public Service Pension Act	1,351,735,000
Special Forces Pension Act	167,518,000
Universities Academic Pension Act	472,129,000
	4,113,998,000
Less Pension Fund balance included in restricted profits and equity at March 31, 1981	1,100,709,000
Unfunded accrued liability	$3,013,289,000

The 1981 figures were estimated by calculating the present value, at March 31, 1981, of benefits that accrued in respect of service to that date. The valuations were based on a common set of economic assumptions, including rate of salary increases due to inflation, interest rates and rates of discretionary cost of living increases for present and future retired members. Demographic assumptions used in estimating the above liabilities, including mortality, termination, retirement, and marital status and salary increases due to promotion and merit, varied from plan to plan according to the particular characteristics of each plan.

Under provisions of the Teachers' Retirement Fund Act, payment of all benefits is guaranteed by the Province of Alberta. An actuarial valuation at August 31, 1978 indicated that Teachers' Retirement Fund assets were insufficient by an amount of approximately $742,000,000 to meet the liabilities of the fund. The actuarial valuation was based on a different set of assumptions and methods to those used for the above Pension Acts and no amount was included for future discretionary cost of living increases.

Note 4
Contingent Liabilities

The Province has a contingent liability in respect of a statement of claim issued on February 19, 1982. The plaintiffs are the members of the Lubicon Lake Band and the Cree Community of Little Buffalo Lake. The defendants are the Province of

Alberta and a number of oil companies. The plaintiffs claim entitlement to at least 60 square miles of land in Northwestern Alberta as a reserve. They are also claiming $700,000,000 in lieu of royalties and revenues, or alternatively a reserve of 60 square miles including mines and minerals together with $200,000,000 damages, and interest on all amounts.

The Province has a contingent liability in respect of a statement of claim filed by eight Metis Settlement Associations. On February 2, 1977 it was contended that the Province had received approximately $30,000,000 from the sale, lease or rental, royalties and fees from the petroleum and natural gas rights on certain lands and that the Associations were entitled to the aforesaid monies as well as all monies thereafter accruing from these petroleum and natural gas rights.

The Province also has a contingent liability in respect of three other native land or mineral rights claims in which the amounts claimed are unspecified.

Claims pending at March 31, 1982 in respect of land acquisitons by the Capital Projects Division of the Alberta Heritage Savings Trust Fund, excluding interest and costs if any, exceed amounts expended by approximately $43,000,000 (1981 — $37,000,000). The actual liability cannot be determined until expropriation proceedings are completed.

At March 31, 1982 the Province was named as defendant in various legal actions in addition to those noted above. The total claimed in specific legal actions of which the Attorney General's Department is aware amounts to approximately $73,037,000. Claims in legal actions reported by other departments and agencies not included in the above amount to approximately $17,451,000. Because the outcome of these actions is uncertain the likely loss to the Province, if any, cannot be determined.

Potential claims known to the Attorney General's Department and other departments amount to approximately $398,000. The likely resulting loss from these potential claims, if any, and other claims and potential claims for which no specific amounts have been claimed, cannot be determined.

The Province has a contingent liability to return to Indian Bands its share of oil export tax relating to the period October 1, 1973 to March 31, 1974 in respect of oil production from Indian lands. The Province is committed to return its share of oil export tax, which amounts to approximatey $4,650,000, if the federal government makes a similar decision in respect of its share.

Details of amounts guaranteed by the Province are shown in Schedule 10.

No provision has been made in the consolidated financial statements for contingent liabilities resulting from litigation and guarantees.

Note 5
Subsequent Event

The Petroleum Incentives Program Act, assented to on November 20, 1981,provides for retroactive application of the programme to January 1, 1981. As no applications were received prior to March 31, 1982 in respect of the period January 1, 1981 to March 31, 1982, no incentive grants were paid. Payment of incentive grants in respect of qualifying activities of applicants carried out during the period January 1, 1981 to March 31, 1982 will be made in subsequent years. The amount to be expended is not determinable.

Note 6
Comparative Figures

The 1981 figures have been restated where necessary to conform to the 1982 presentation.

Schedule 1
Investments—
Marketable Securities

	In thousands			
	1982		1981	
	Cost	Market Value	Cost	Market Value
Bonds and Debentures:				
Government of Canada, direct and guaranteed	$1,058,575	$ 911,586	$1,118,509	$1,027,664
Government of the United States of America, direct and guaranteed	8,954	8,813	—	—
Province of Alberta guaranteed:				
Board of Governors of the University of Alberta	5,232	3,270	5,274	3,811
Other provinces, direct and guaranteed	405,260	309,334	367,760	305,630
Municipalities, school and hospital boards	7,461	4,672	9,204	6,150
Corporate	87,741	75,312	90,582	78,468
Mid term promissory notes	315,209	315,209	213,992	213,992
Mid term guaranteed investment certificates	2,003	1,542	1,710	1,356
Mortgages	86,613	78,896	66,164	59,238
Equities	183,710	177,523	26,223	38,323
Real estate funds	2,000	2,000	—	—
	$2,162,758	$1,888,157	$1,899,418	$1,734,632

Schedule 2
Investments — Long Term

	In thousands	
	1982	1981
Corporate debentures:		
Luscar Ltd.	$ 25,000	$ 25,000
TransAlta Utilities Corporation	19,787	19,716
Ridley Grain Ltd.	10,737	—
Bralorne Resources Limited	5,000	5,000
Canadian Commercial Bank	5,000	—
Interprovincial Steel and Pipe Corporation Ltd.	5,000	—
Provincial debentures, direct and guaranteed:		
Province of Manitoba	257,984	182,906
Province of New Brunswick	243,859	169,585
New Brunswick Electric Power Commission	132,881	132,733
Province of Newfoundland	153,587	98,737
Newfoundland and Labrador Hydro	147,714	147,585
Newfoundland Municipal Financing Corporation	79,102	59,161
Province of Nova Scotia	231,429	206,280
Nova Scotia Municipal Finance Corporation	70,836	48,332
Nova Scotia Power Corporation	123,525	98,489
Province of Prince Edward Island	92,553	48,036
Hydro-Quebec	375,322	300,079
Convertible debentures:		
Gulf Canada Resources, Inc.	—	118,537
Canada-Cities Service Ltd.	—	117,602
Preferred shares:		
Standard Guarantee Holdings Ltd.	1,000	—
Common shares:		
Alberta Energy Company Ltd.	76,764	76,488
Pacific Western Airlines Ltd.	37,561	37,554
Standard Guarantee Holdings Ltd.	100	—
Venture equity:		
Participation in Syncrude Project	439,024	183,722
	$2,533,765	$2,075,542

Schedule 3
Equity in Commercial Enterprises

	In thousands	
	1982	1981
The Alberta Government Telephones Commission	$1,741,281	$1,412,217
Alberta Liquor Control Board	101,290	46,454
Treasury Branches Deposits Fund	23,385	22,298
Alberta Terminals Ltd.	11,448	8,804
The Alberta General Insurance Company	66	156
The Workers' Compensation Board	(98,333)	(34,024)
	$1,779,137	$1,455,905

Schedule 4
Loans and Advances

	In thousands	
	1982	1981
Loans and advances made under the authority of:		
Alberta Municipal Financing Corporation Act	$3,262,255	$2,426,083
Alberta Home Mortgage Corporation Act	1,986,121	1,212,435
Agricultural Development Act	530,947	320,868
Alberta Opportunity Fund Act	133,607	116,255
Rural Electrification Revolving Fund Act and Rural Electrification Long Term Financing Act	40,117	34,635
Municipal Land Loans Act	19,371	20,364
Financial Administration Act	16,634	17,737
Alberta Housing Act	7,599	7,338
The Brazeau River Development Act and Financial Administration Act	4,418	8,837
Department of Transportation Act	3,975	5,711
Hail and Crop Insurance Act	1,303	1,134
Department of Housing and Public Works Act	818	818
The Municipal Capital Expenditure Loans Act	571	1,621
Cancer Treatment and Prevention Act	451	451
Students Finance Act	424	501
Historical Resources Act	102	122
Cemeteries Act	85	85
Public Trustee Act	25	25
Homestead Lease Loan Act	17	32
Miscellaneous	3	3
	6,008,843	4,175,055

Schedule 4
Loans and Advances (cont'd)

Implemented guarantees made under the authority of:		
Agricultural Development Act	$ 9,189	$ 5,040
Students Finance Act	5,203	5,140
Department of Agriculture Act	1,329	1,959
Feeder Associations Guarantee Act	663	835
Agricultural Societies Act	253	281
Co-operative Marketing Associations and Rural Utilities Guarantee Act	142	2,264
Native Co-operative Guarantee Act	—	994
	16,779	16,513
Judgement debts	1,258	1,232
	6,026,880	4,192,800
Less allowance for doubtful loans, advances, implemented guarantees and judgement debts	32,808	29,021
	$5,994,072	$4,163,779

Schedule 5
Unmatured Debt

	In thousands	
	1982	1981
Net debt issued by:		
Alberta Municipal Financing Corporation	$1,907,700	$1,714,148
General Revenue Fund	127,754	137,964
Alberta Housing Corporation	122,669	115,649
Alberta Resources Railway Corporation	1,541	5,484
	$2,159,664	$1,973,245

Schedule 6
Restricted Profits and Equity

	In thousands	
	1982	1981
Profits and equity restricted by:		
Pension Fund Act:		
Equity (a)	$1,330,085	$1,100,709
Alberta Municipal Financing Corporation Act:		
Profits (b)	123,460	110,250
Equity (c)	17	17
	$1,453,562	$1,210,976

(a) Represents partial funding of liabilities under the Local Authorities Pension Act, M.L.A. Pension Act, Public Service Management Pension Act, Public Service Pension Act, Special Forces Pension Act and Universities Academic Pension Act. Details of the most recent actuarial valuations of the total liability of the Province under the above Acts are provided in Note 3.

(b) Refers to a portion of Alberta Municipal Financing Corporation's shareholders' equity which is excluded from net assets of the Province. Under the Alberta Municipal Financing Corporation Act, the Alberta Municipal Financing Corporation has "the power to pay from time to time, as a rebate of interest, any profits of the corporation to shareholders of the corporation that have borrowed moneys from the corporation or sold debentures of their own issue to the corporation, proportionately as such shareholders made use of the facilities of the corporation over the period in which any such profits were derived".

(c) Represents the cost of common shares held by municipalities, counties, cities, towns, school districts and divisions and hospital boards.

Schedule 7
Revenue

	In thousands	
	1982	1981
Taxes:		
Personal income tax, net	$ 1,322,699	$ 937,636
Corporate income tax, net	415,716	441,038
Other	383,124	331,270
	2,121,539	1,709,944
Non-Renewable Resource Revenue	4,879,500	4,809,131
Fees, Permits and Licenses	468,763	366,100
Utility and Trading Profits	186,650	209,312
Payments from Government of Canada:		
Hospital insurance	260,950	205,021
Health care insurance	81,542	69,562
Post-secondary education	167,856	116,686
Canada assistance plan	239,197	154,777
Oil export charge	160,950	35,000
Other	178,438	209,053
	1,088,933	790,099
Other Revenue:		
Investment income	1,606,464	1,291,490
Pension funds	—	161,906
Other	189,898	130,152
	1,796,362	1,583,548
	$10,541,747	$9,468,134

Schedule 8
Expenditure by Object

	In thousands	
	1982	1981
Salaries, wages, employment contracts and benefits	$1,060,252	$ 831,885
Travel and communication	116,033	95,589
Services	1,206,697	1,170,960
Materials and supplies	283,142	210,399
Grants to individuals, business and other levels of government	4,948,861	3,503,455
Purchase of fixed assets	511,085	504,136
Pension payments and refunds	—	95,528
Interest	221,632	206,813
Evaluation provisions	67,613	13,009
Other expenses	10,914	25,782
	$8,426,229	$6,657,556

Schedule 9
Operating and Capital Expenditure by Major Function

In thousands

	Expenditure			
	Operating	Capital	Grants for Capital Purposes	Total
Health:				
1982	$1,655,548	$ 87,599	$ 130,981	$1,874,128
1981	1,305,351	73,215	111,320	1,489,886
Education:				
1982	1,517,239	19,751	152,733	1,689,723
1981	1,273,494	13,073	98,187	1,384,754
Social, Cultural and Recreational Development:				
1982	1,278,155	334,370	77,612	1,690,137
1981	1,078,193	215,275	30,541	1,324,009
Economic Development, Transportation, Utilities and Resource Management:				
1982	1,087,666	784,770	376,324	2,248,760
1981	794,956	592,807	313,290	1,701,053
Justice, Policing and Correctional Institutions:				
1982	265,759	3,532	390	269,681
1981	216,275	1,231	363	217,869
General Government:				
1982	382,185	271,615	—	653,800
1981	309,377	230,608	—	539,985
Total Expenditure:				
1982	$6,186,552	$1,501,637	$ 738,040	$8,426,229
1981	$4,977,646	$1,126,209	$ 553,701	$6,657,556

Schedule 10
Indirect Liabilities

The Province is guarantor of debt obligations as follows:

	In thousands	
	1982	1981
Debentures:		
AEC Power Ltd.	$230,000	$230,000
University of Calgary	—	750
	230,000	230,750
Less sinking fund assets	—	721
	230,000	230,029
Bank, Treasury Branches and Credit Union Loans:		
Corporations and individuals under various government programmes	198,652	191,750
Other:		
Federal loans	19,009	19,279
Mortgage loans	7,983	8,096
	26,992	27,375
Total	$455,644	$449,154